MACROECONOMIC OUTLOOK

March 2017

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PLANNING AND ECONOMIC AFFAIRS

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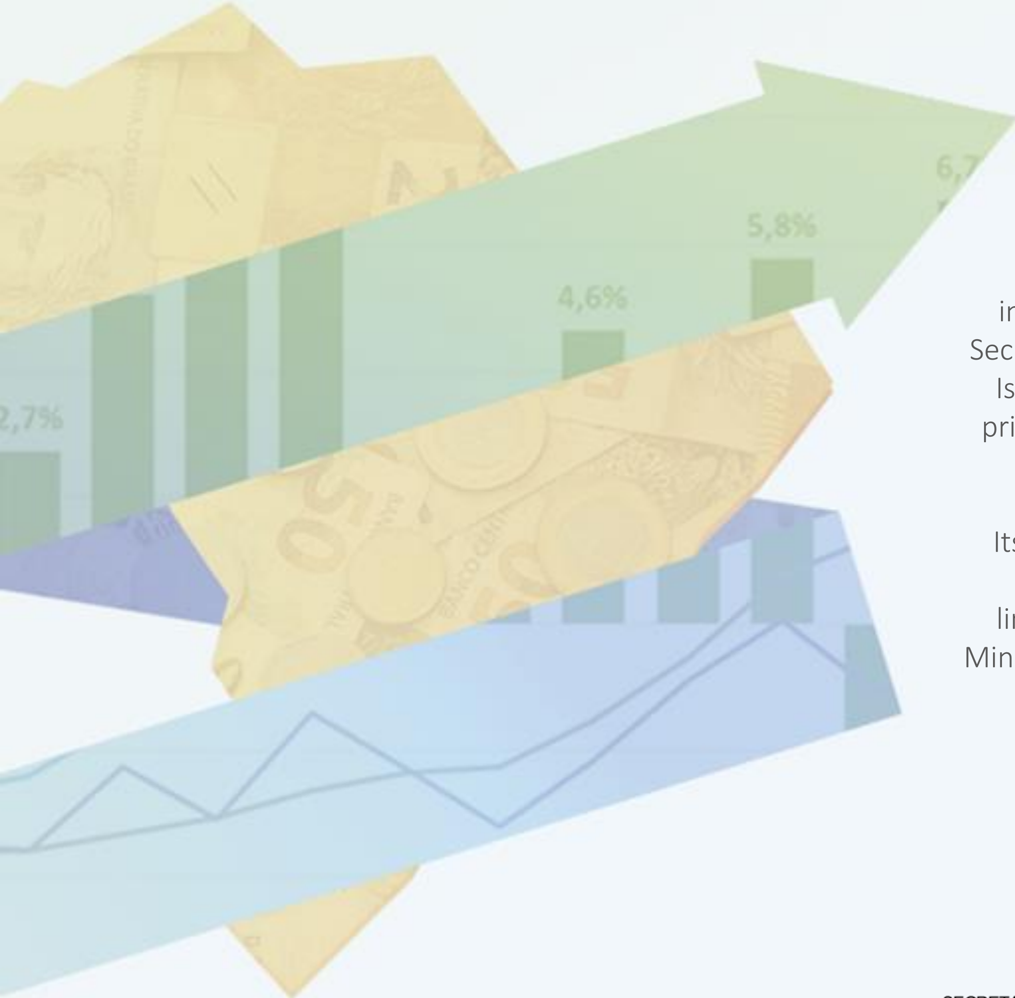
PLANNING, DEVELOPMENT AND MANAGEMENT

BRASIL
BRAZILIAN GOVERNMENT



Macroeconomic Outlook is an informational report produced by Secretariat for Planning and Economic Issues (SEPLAN) related to a set of primary public economic data about Brazilian economy.

Its content does not represent any prospective policy decisions or limitations to the actions taken by Ministry of Planning, Development and Management.

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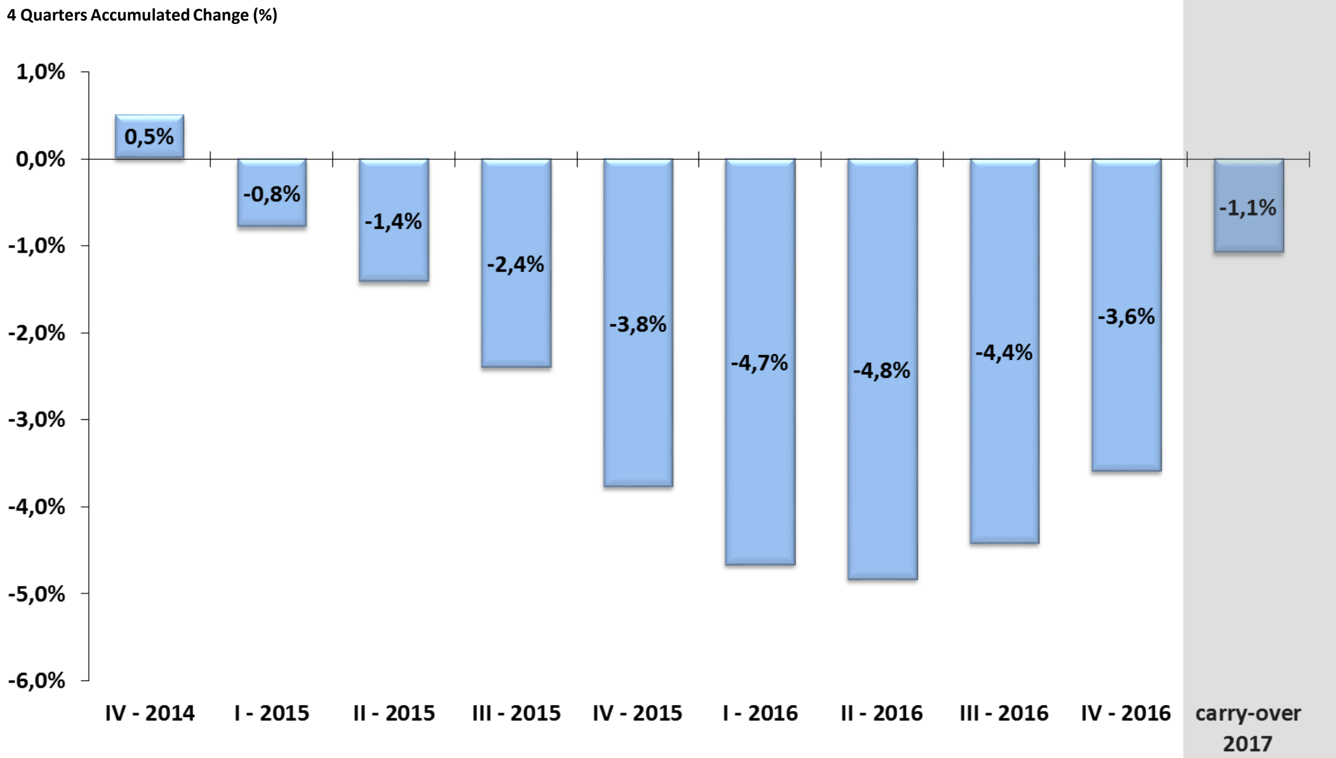
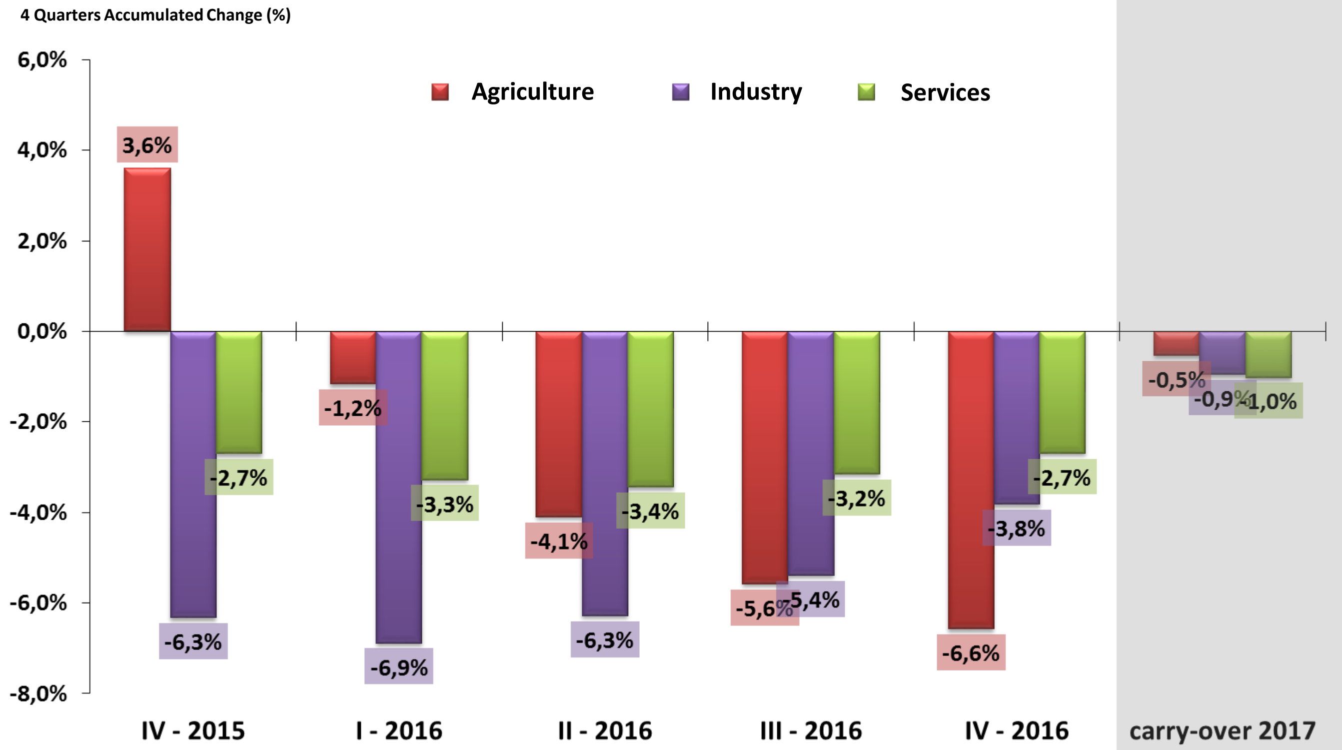
EDITION'S HIGHLIGHTS

GDP Quarterly Evolution



Source: IBGE, Quarterly National Accounts Series.
Note: Carry-over 2007 based on 2016 4th quarter seasonally adjusted level compared to 2016 average.

GDP Quarterly Evolution Production Approach



Source: IBGE, Quarterly National Accounts Series.
Note: Carry-over 2007 based on 2016 4th quarter seasonally adjusted level compared to 2016 average.

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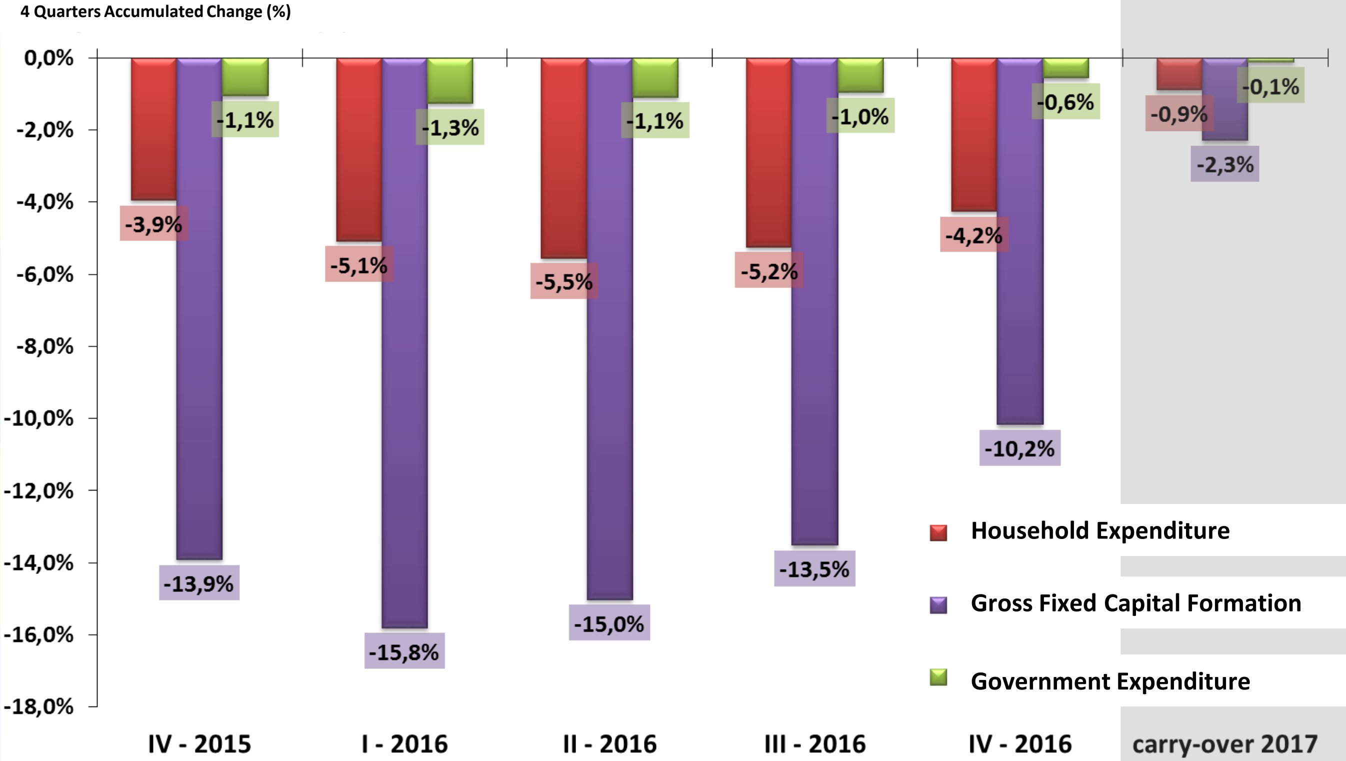
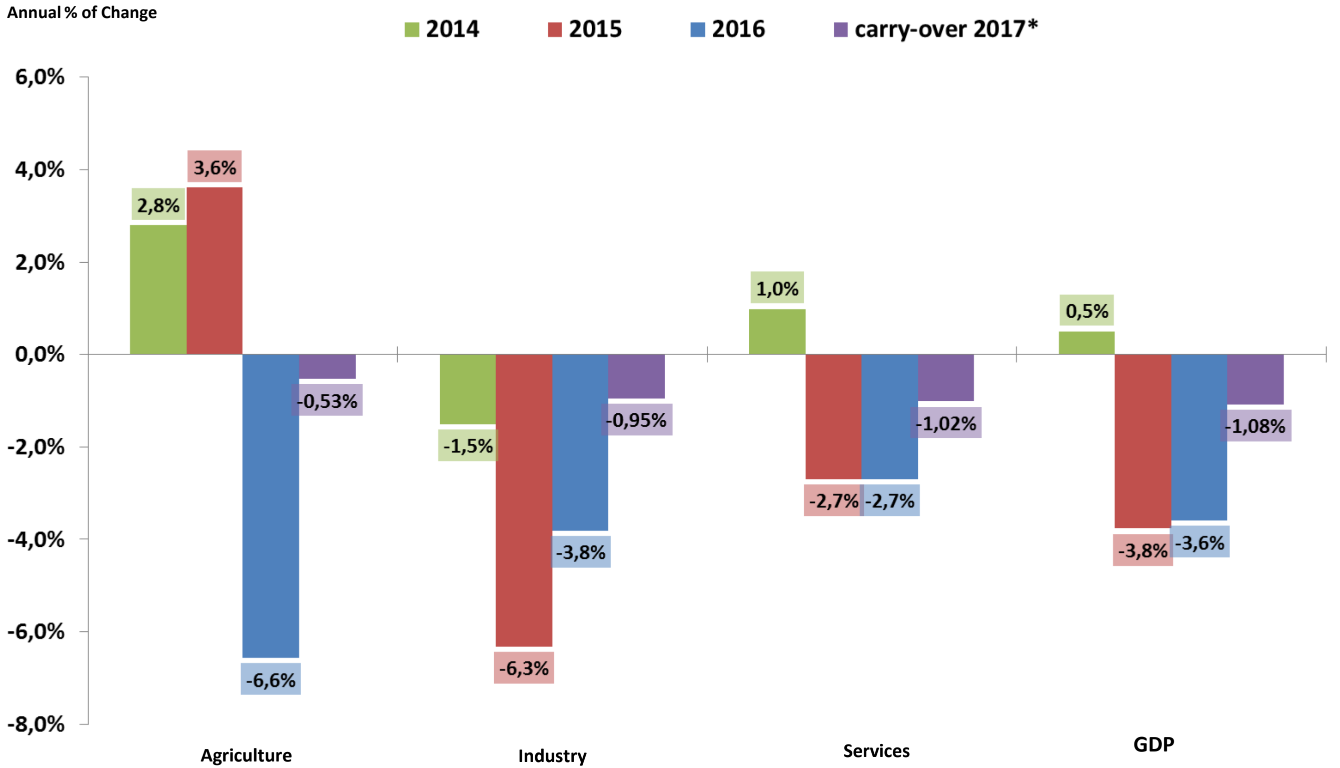
GDP Quarterly Evolution Expenditure Approach



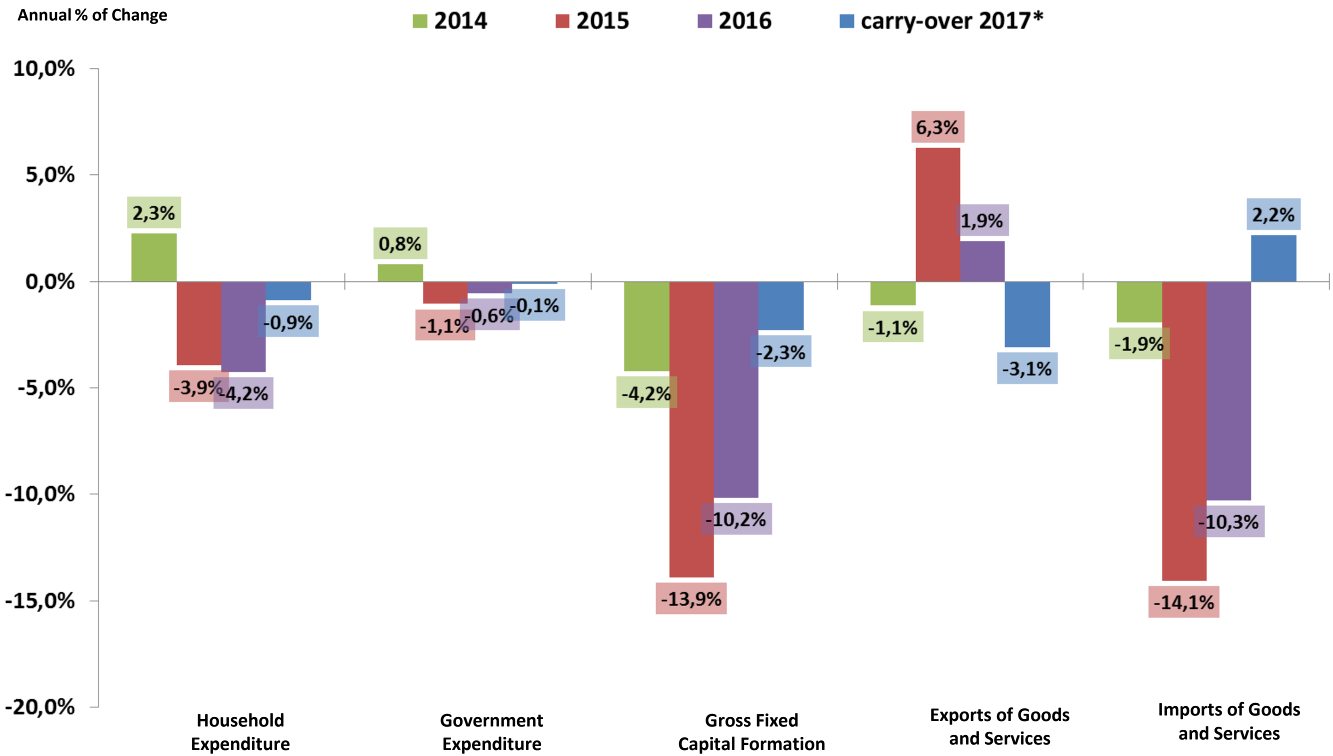
Source: IBGE, Quarterly National Accounts Series.
Note: Carry-over 2007 based on 2016 4th quarter seasonally adjusted level compared to 2016 average.

Annual GDP Real Growth by Production Approach



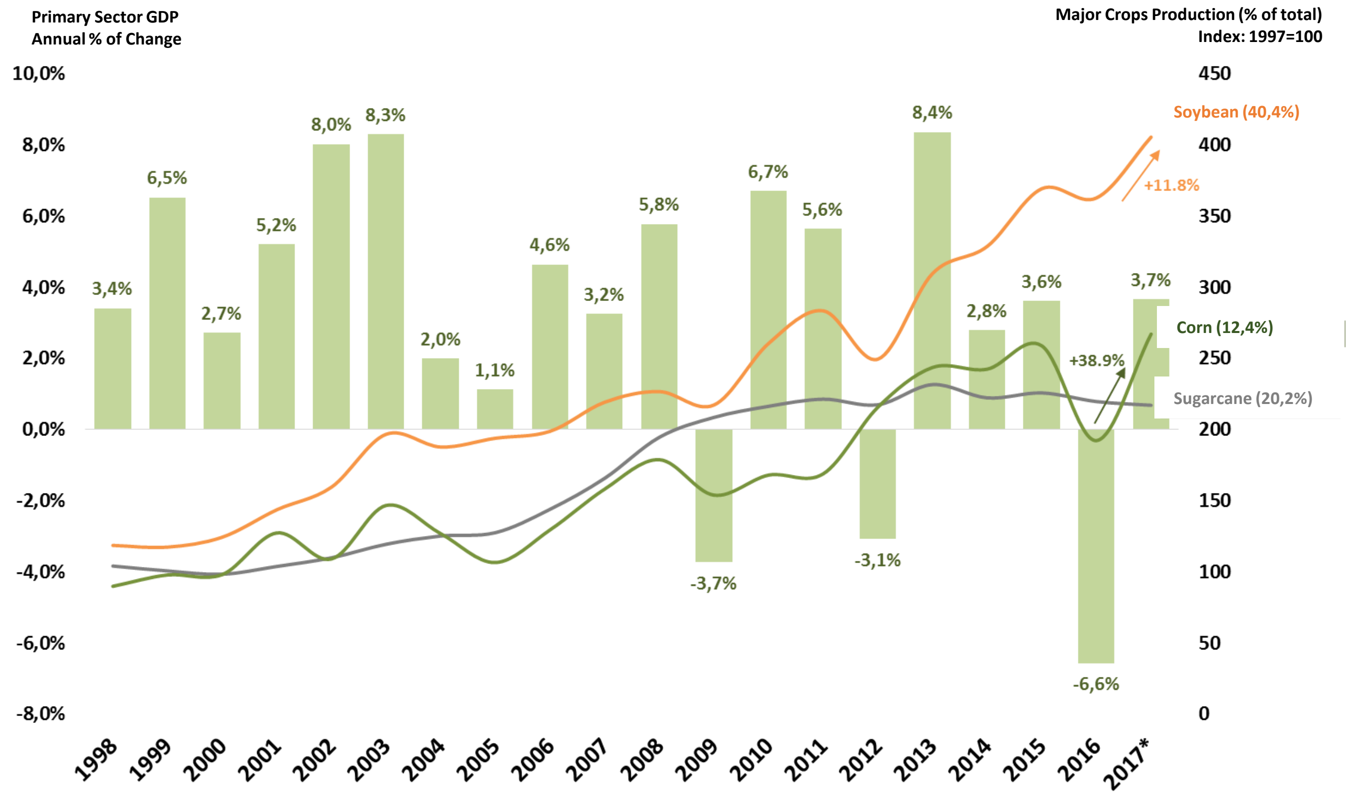
Source: IBGE, Quarterly National Accounts Series.
Note: Carry-over 2007 based on 2016 4th quarter seasonally adjusted level compared to 2016 average.

Annual GDP Real Growth by Expenditure Approach



Source: IBGE, Quarterly National Accounts Series.
Note: Carry-over 2007 based on 2016 4th quarter seasonally adjusted level compared to 2016 average.

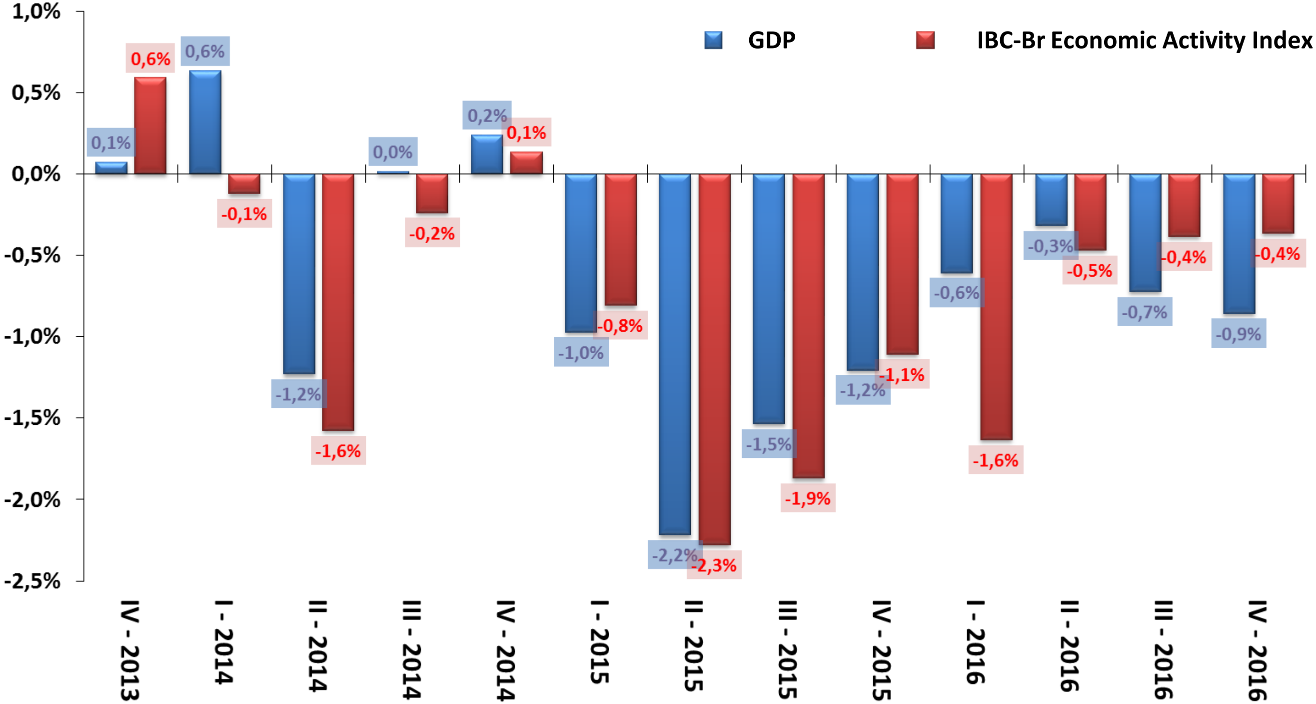
Primary Sector Performance by Major Crops



Source: IBGE, Systematic Survey of Agricultural Production (LSPA)

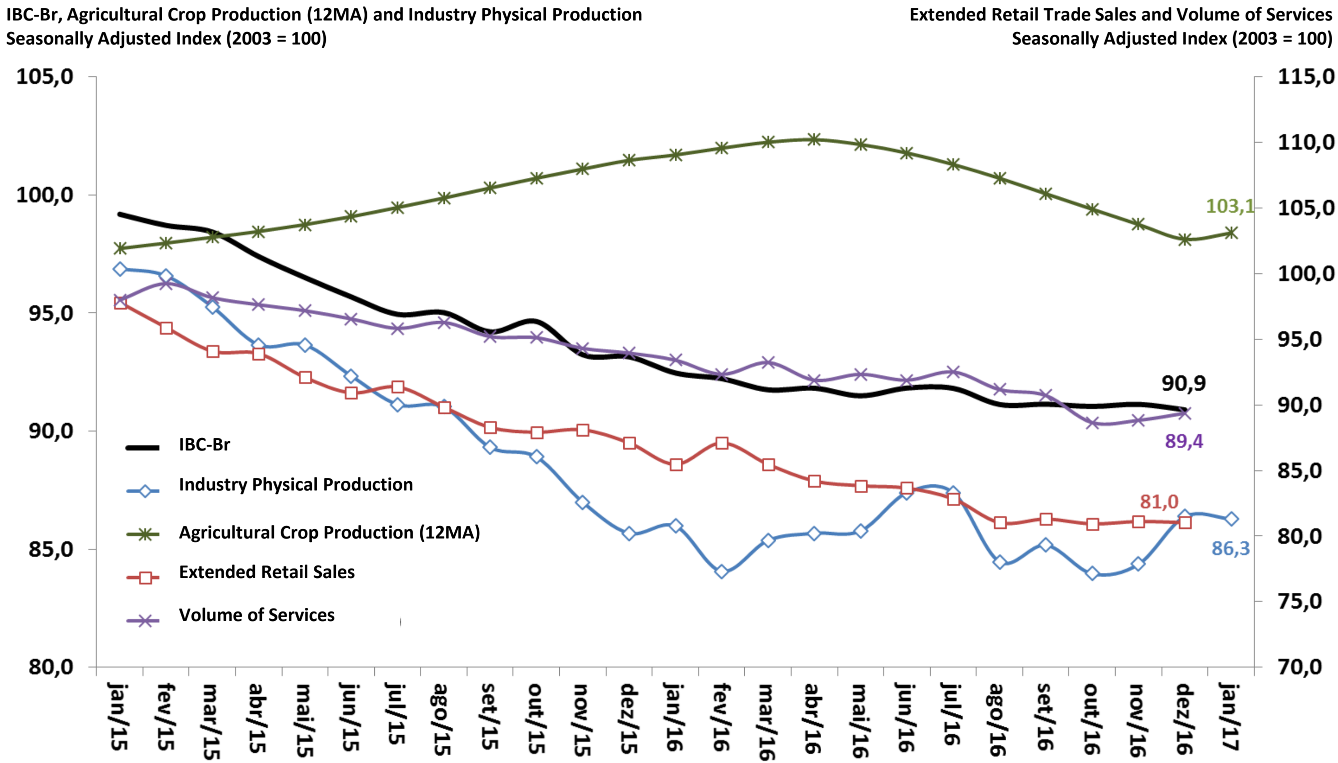
Quarterly GDP Growth and IBC-Br Economic Activity Index

Quarterly % Change - Seasonally Adjusted Series



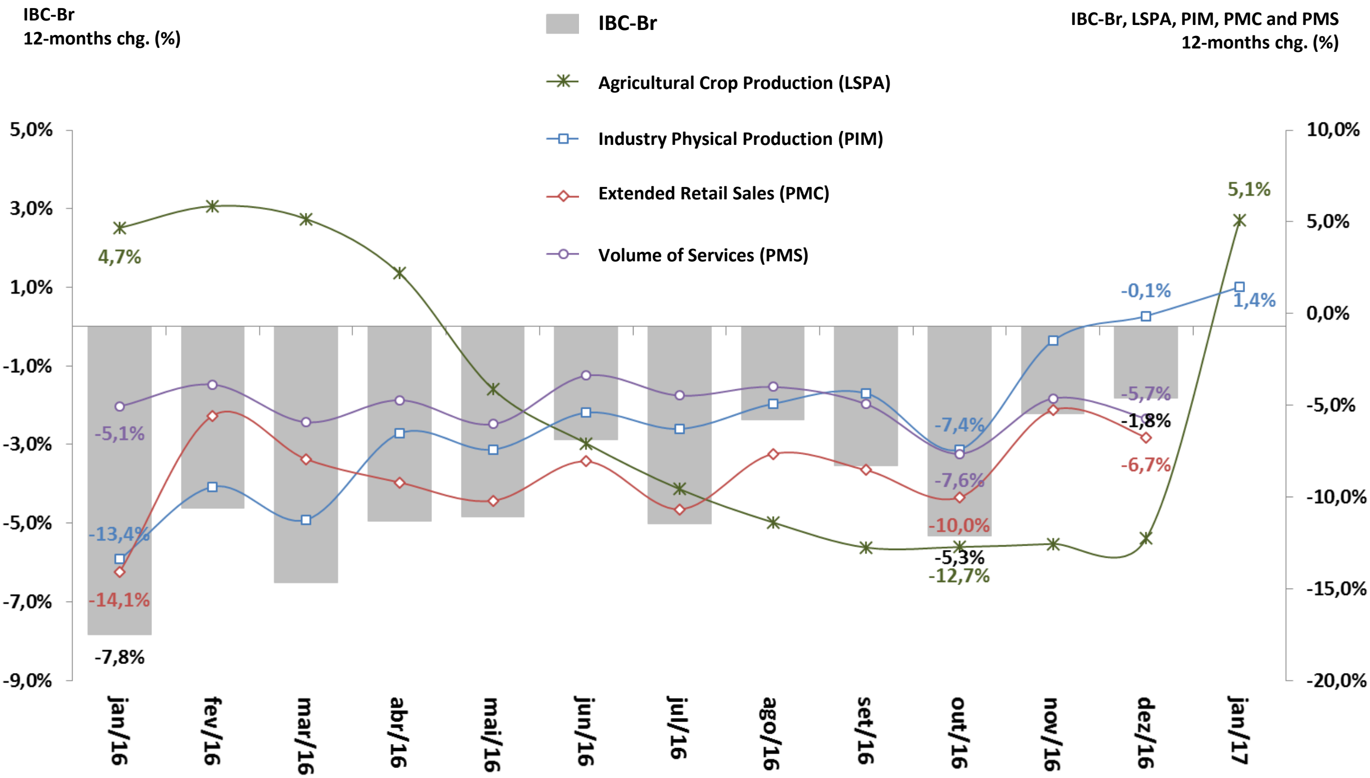
Sources: IBGE and Central Bank of Brazil.

Major Monthly Economic Activity Indicators



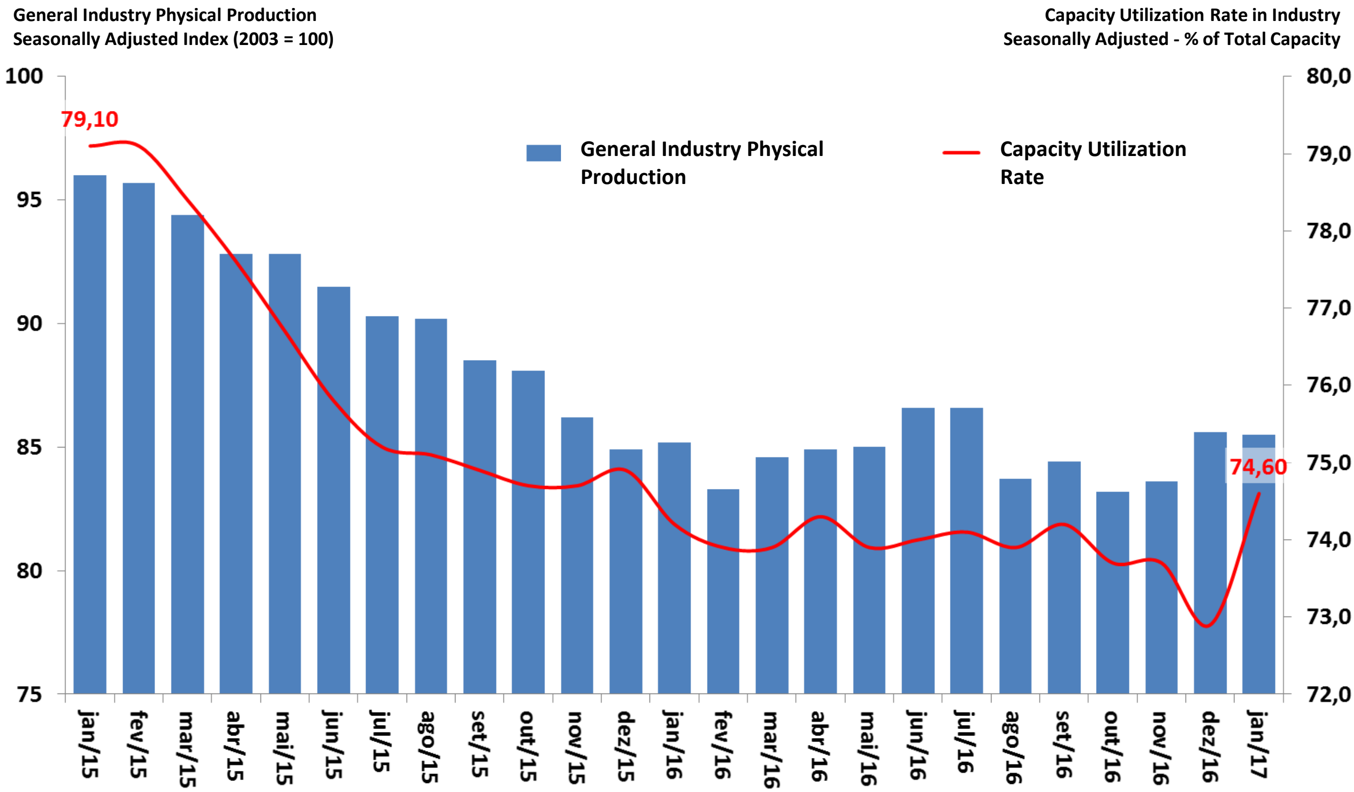
Sources: Central Bank of Brazil and IBGE: Systematic Survey of Agricultural Production (LSPA), Monthly Survey of Industry (PIM), Monthly Survey of Trade (PMC), and Monthly Survey of Services (PMS).

Major Monthly Economic Activity Indicators



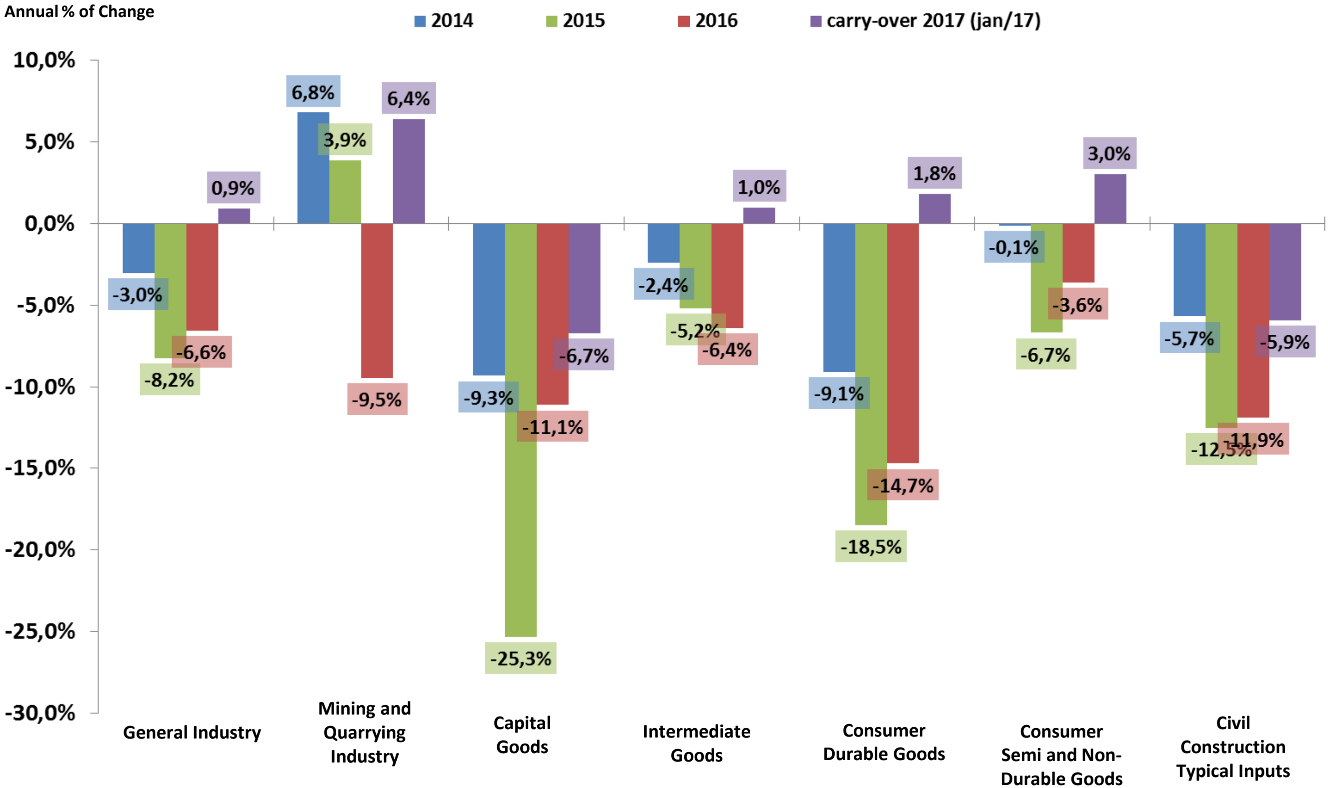
Sources: Central Bank of Brazil and IBGE: Systematic Survey of Agricultural Production (LSPA), Monthly Survey of Industry (PIM), Monthly Survey of Trade (PMC), and Monthly Survey of Services (PMS).

Industry: Physical Production and Capacity Utilization Rate



Sources: IBGE and FGV.

Total Industrial Production and Economic Categories



Source: IBGE, Monthly Survey of Industry (PIM). *Carry-over 2017 = Dec 2016 s.a. level / 2016 average level.

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Total Industrial Production and Economic Categories

Source: IBGE, Monthly Survey of Industry (PIM).

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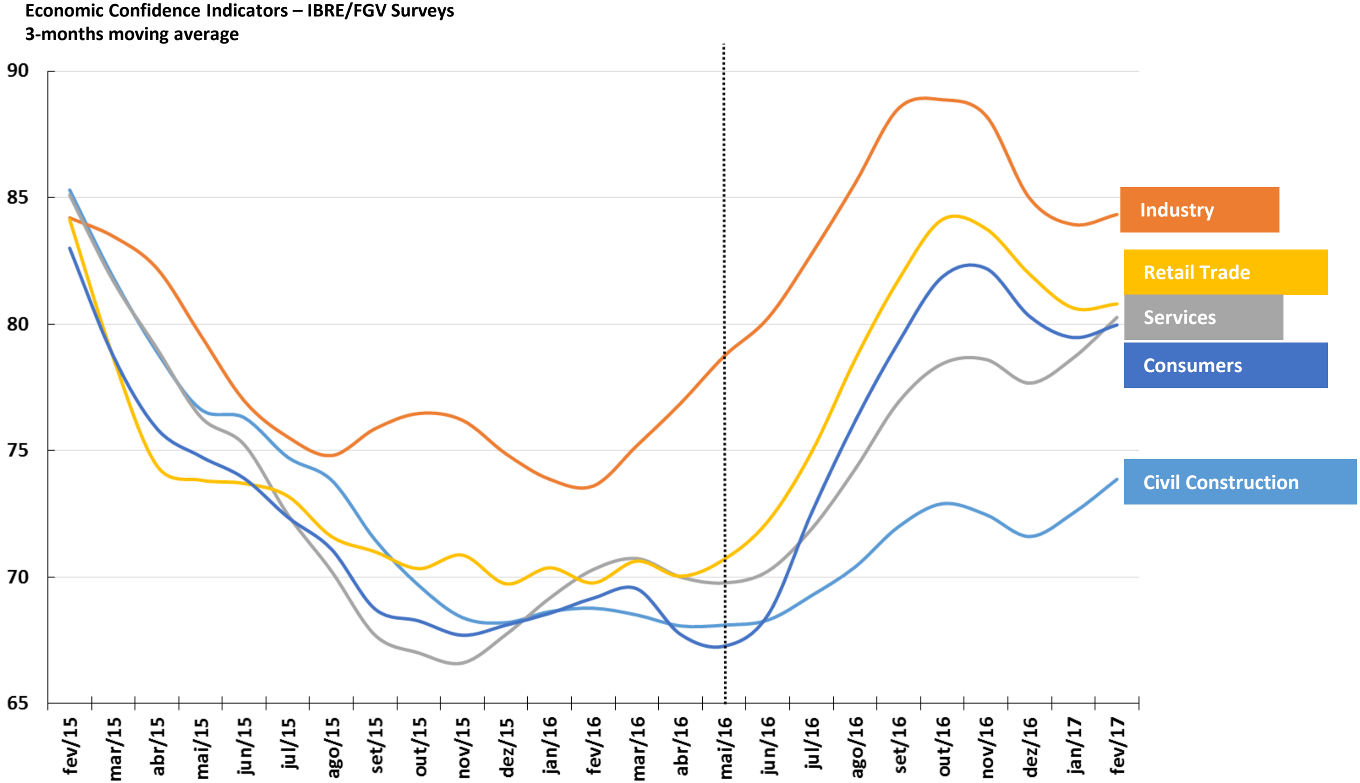
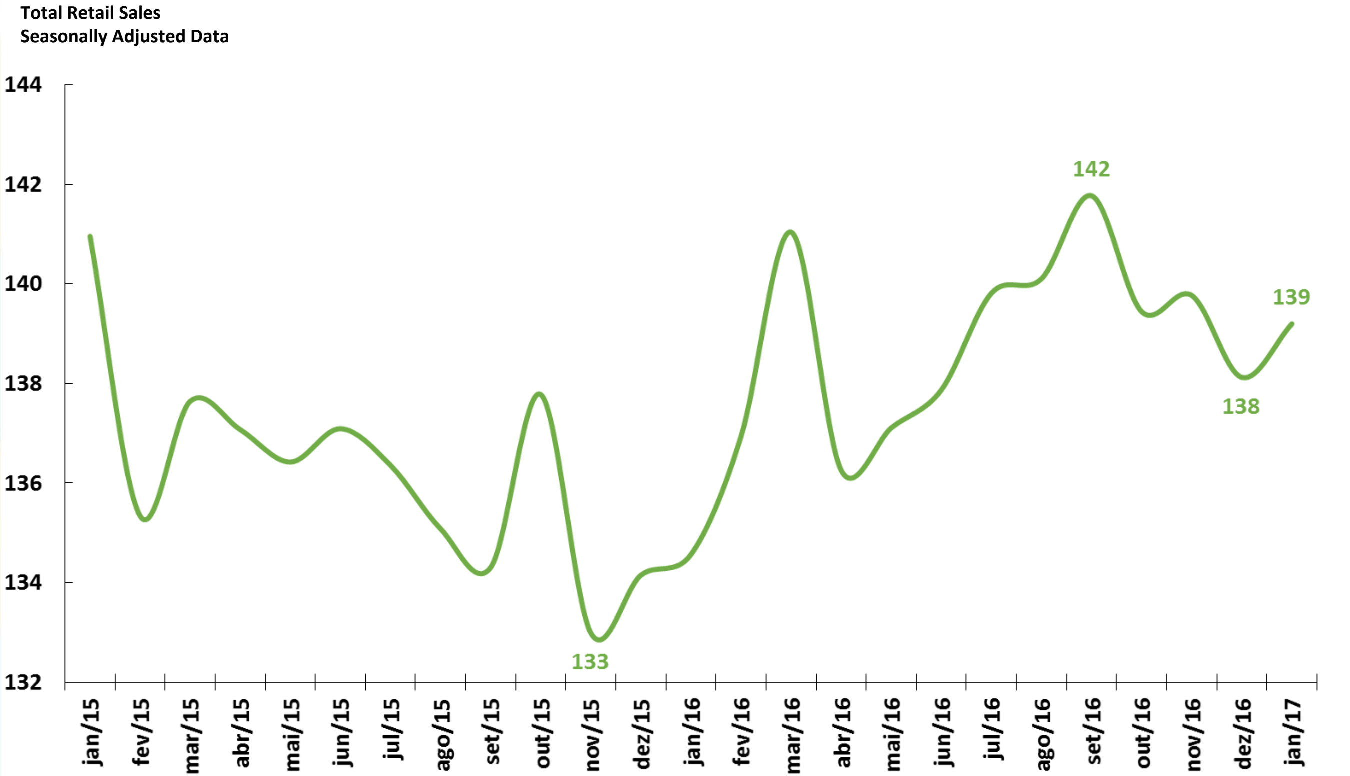
FGV: Economic Confidence Indicators



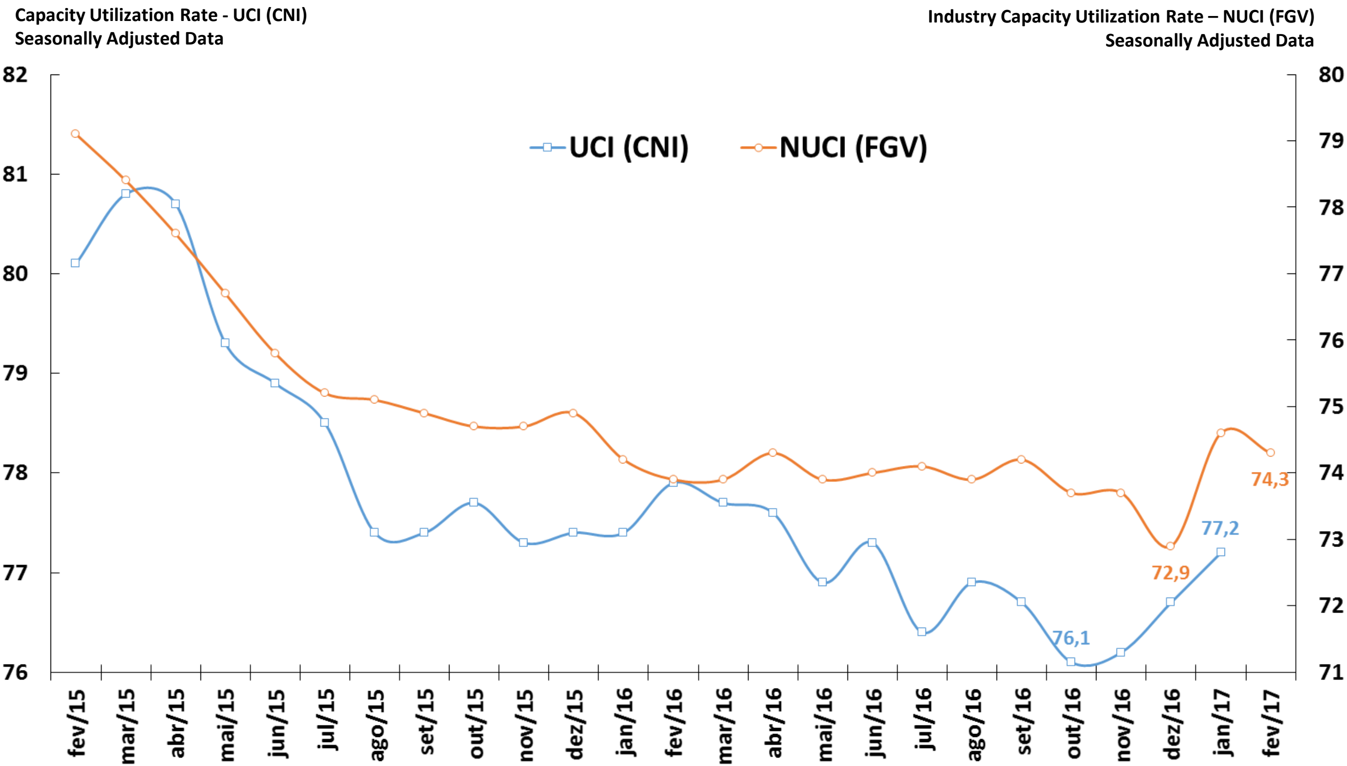
Source: IBRE/FGV.

ABRAS: Supermarket Sector Total Retail Sales



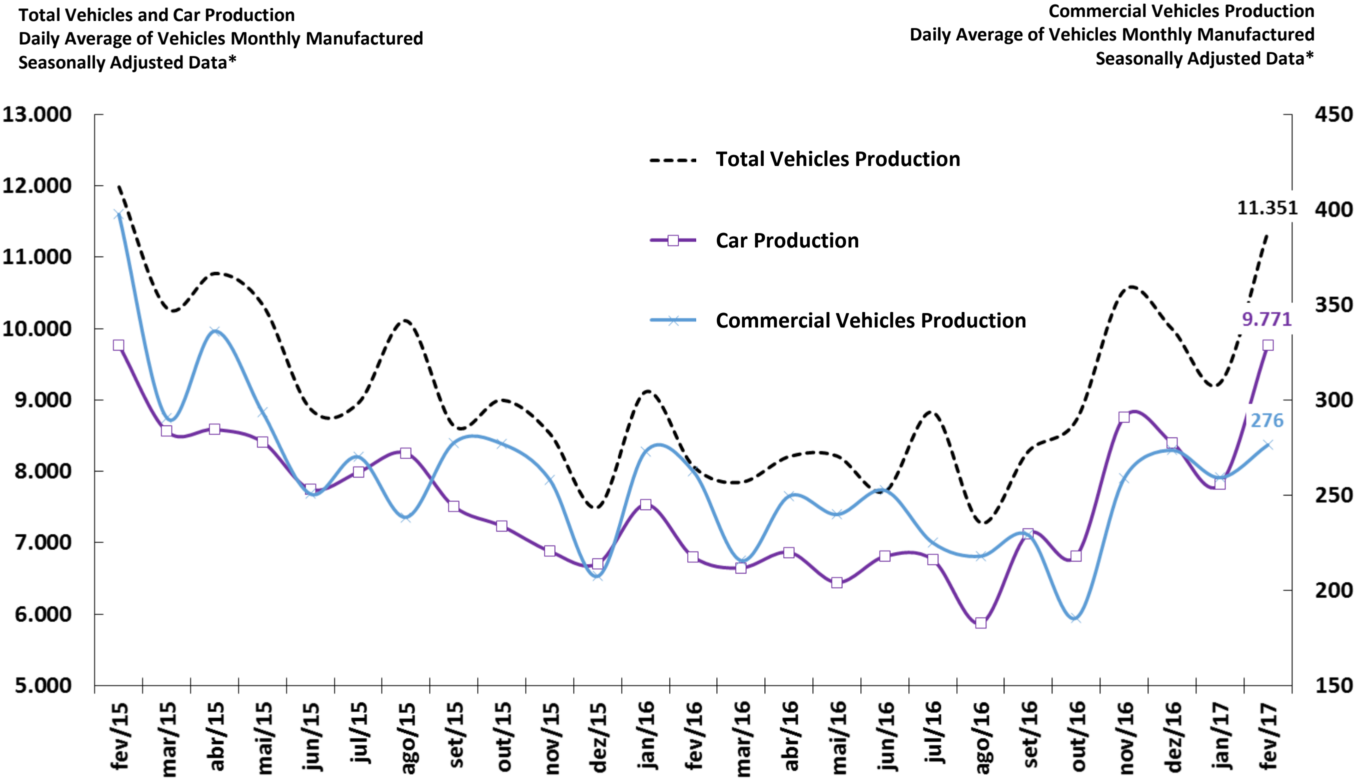
Source: ABRAS. * Seasonally adjusted by SEPLAN/MP using X-13Arima-Seats/X12-Arima.

Capacity Utilization Rate



Source: CNI and FGV.

Anfavea: Automotive Sector Production



Source: ANFAVEA. * Seasonally adjusted by SEPLAN/MP using X-13Arima-Seats/X12-Arima.

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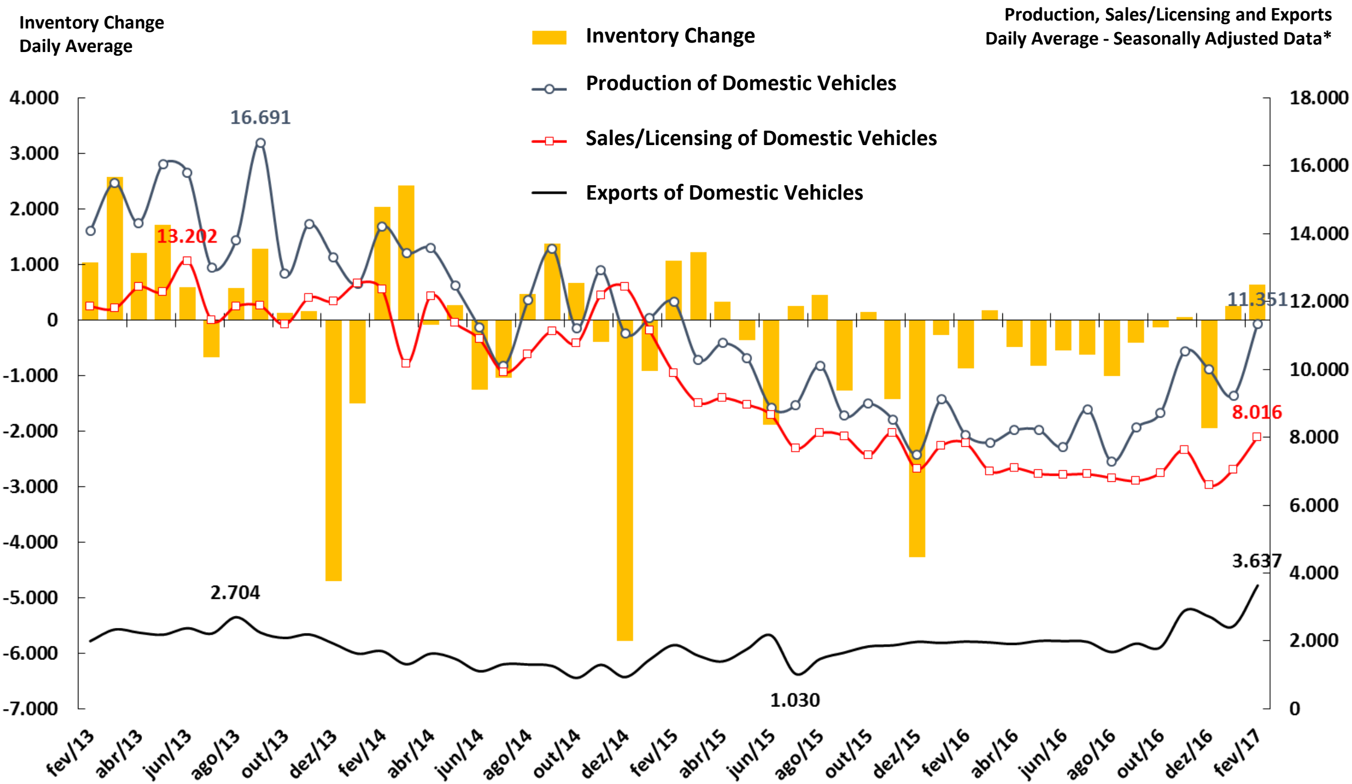
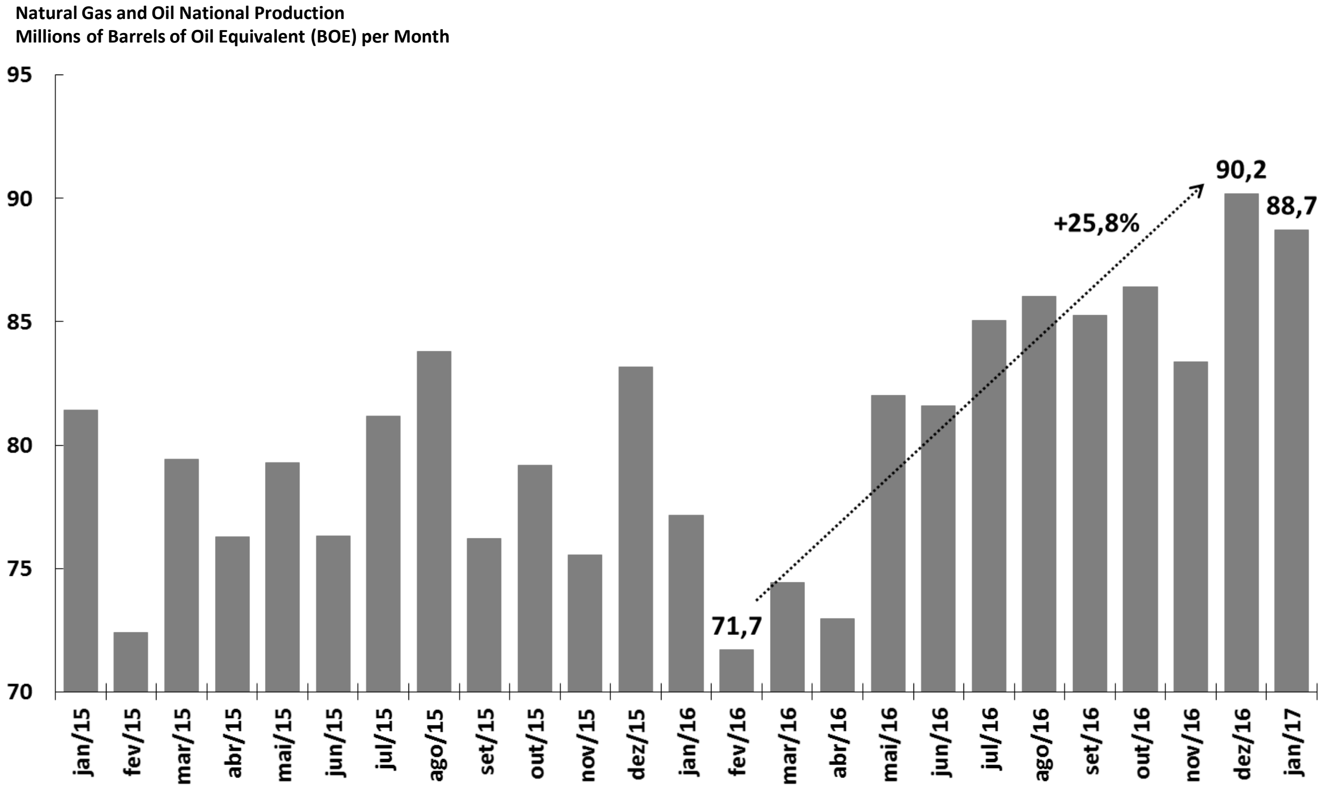
Automotive Sector Production, Sales and Inventory Change



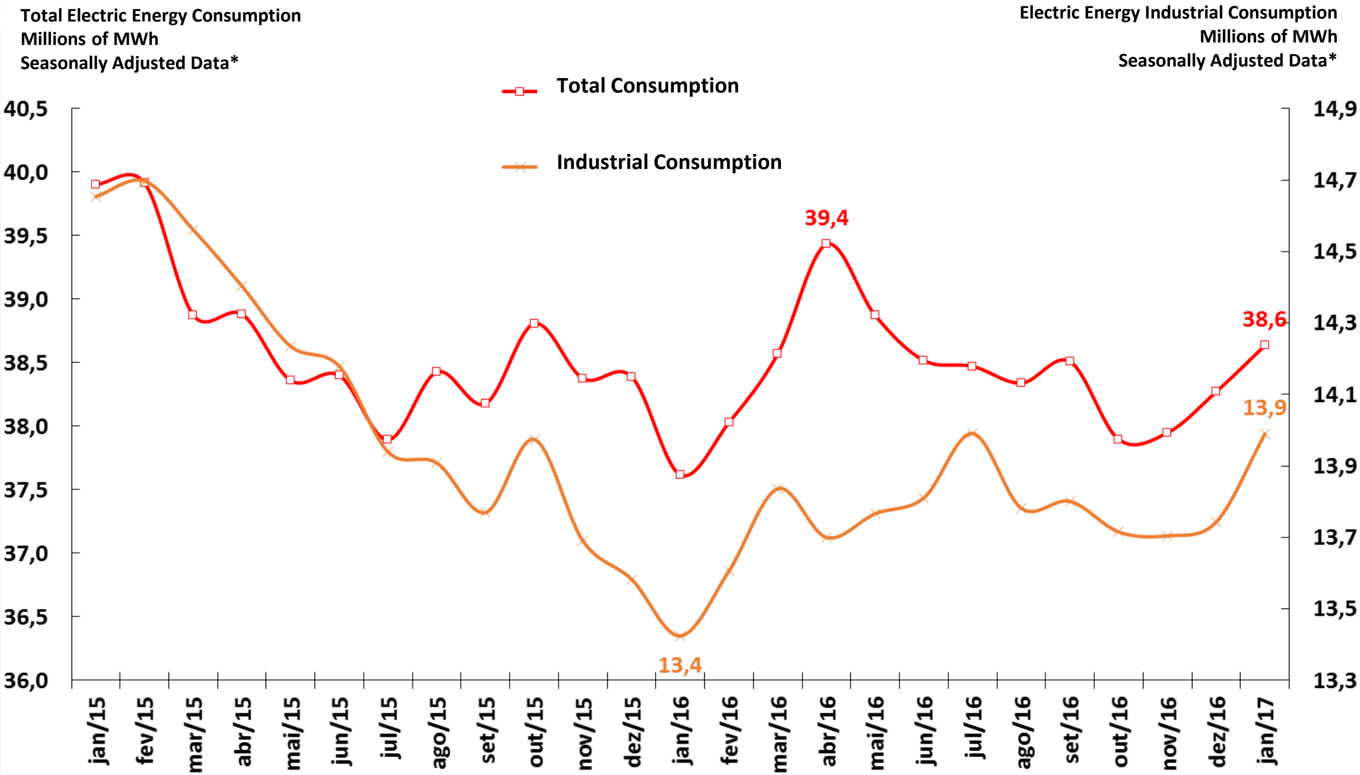
Source: ANFAVEA and FENABRAVE. * Seasonally adjusted by SEPLAN/MP using X-13Arima-Seats/X12-Arima.

ANP: Natural Gas and Oil Production



Source: ANP.

ANEEL: Electric Energy Consumption



Source: ANEEL. * Seasonally adjusted by SEPLAN/MP using X-13Arima-Seats/X12-Arima.

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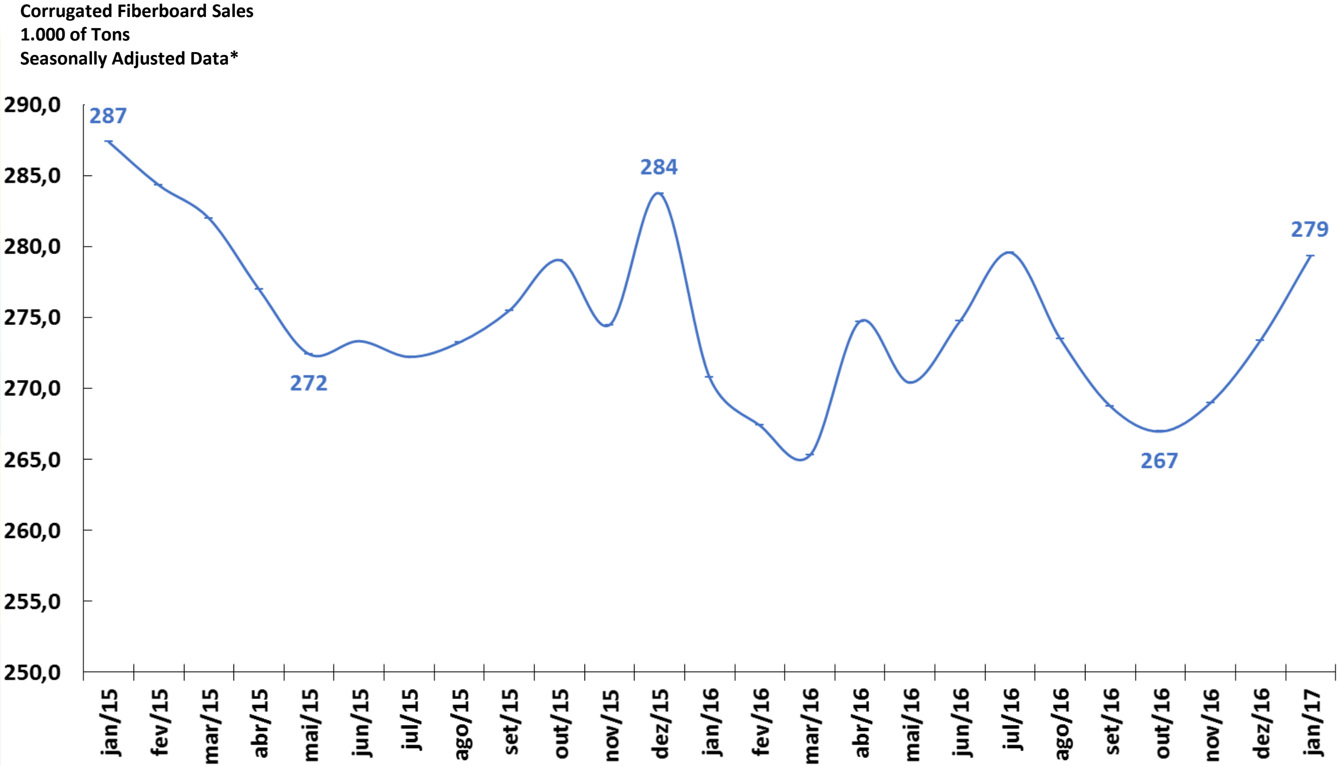
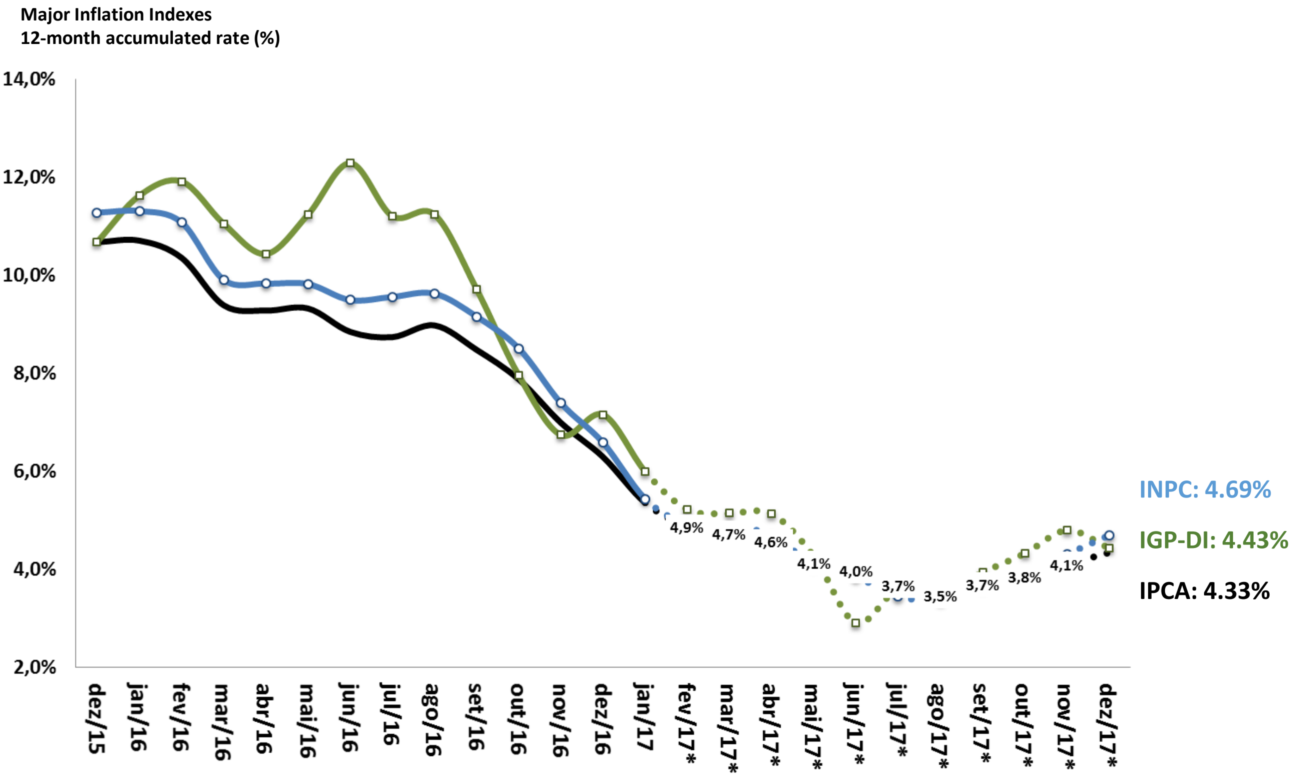
ABPO: Corrugated Fiberboard Sales



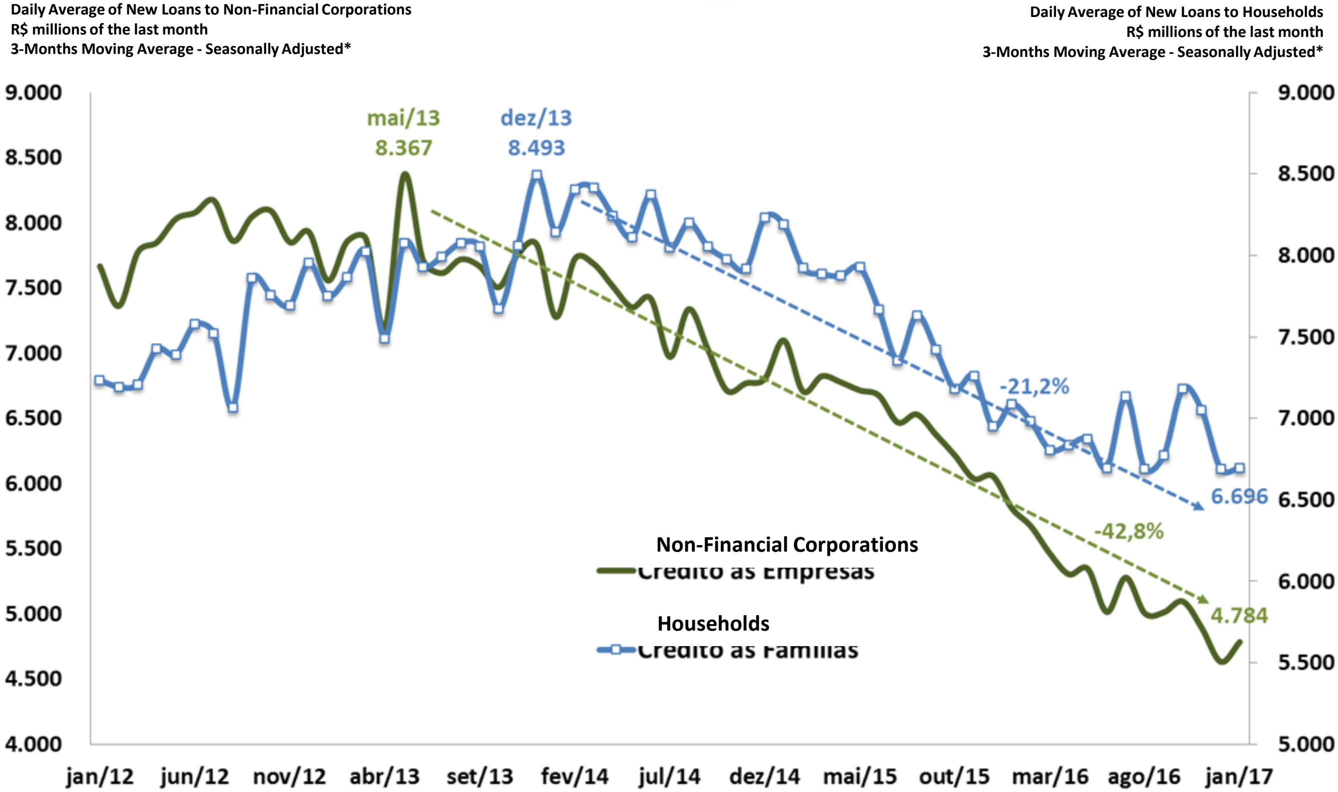
Source: ABPO. * Seasonally adjusted by SEPLAN/MP using X-13Arima-Seats/X12-Arima.

Major Inflation Indexes: 12 Months



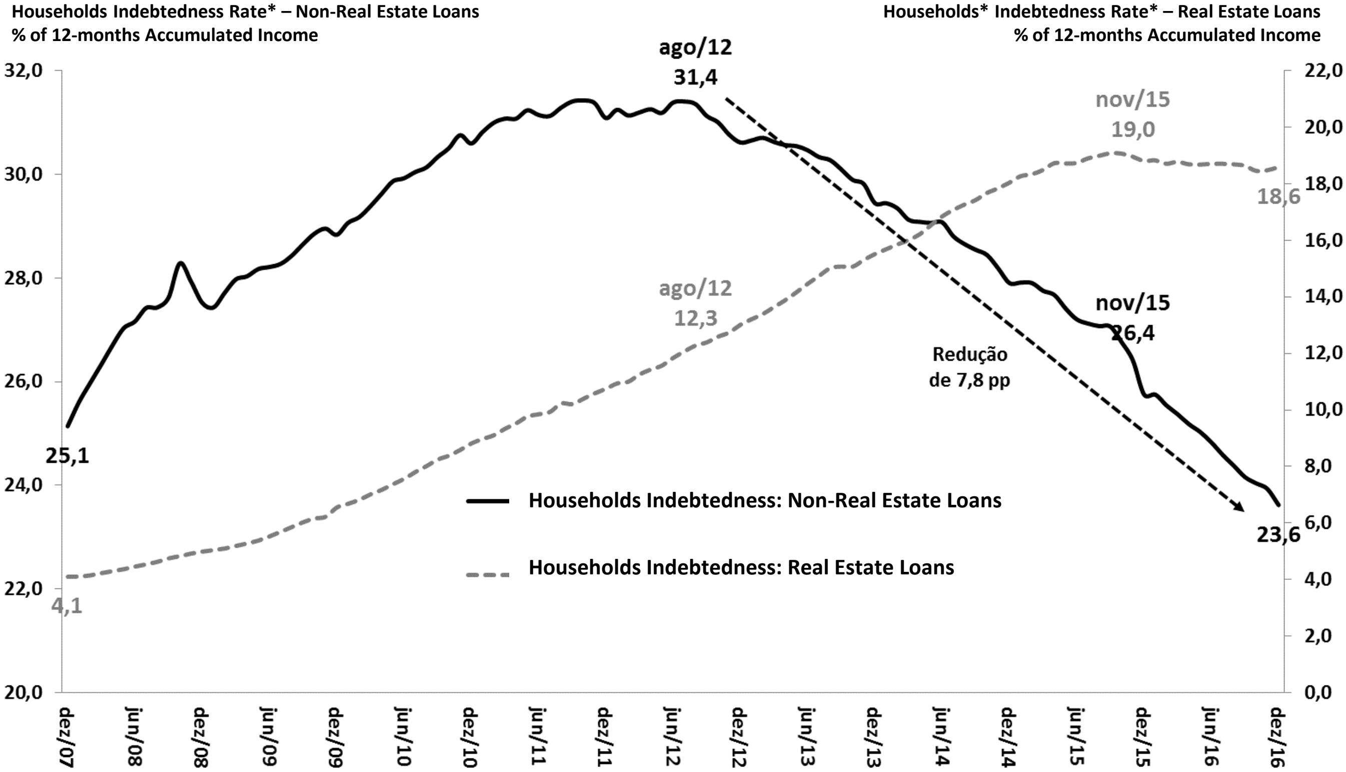
Sources: IBGE and Central Bank of Brazil. *BCB-Focus Survey 3rd March, median of market expectations.

New Loans to Households and Non-Financial Corporations



Source: Central Bank of Brazil. * Seasonally adjusted by SEPLAN/MP using X-13Arima-Seats/X12-Arima.

Households Indebtedness Rate



Source: Central Bank of Brazil. * Indebtedness rate = total outstanding debt / 12-months accumulated income.

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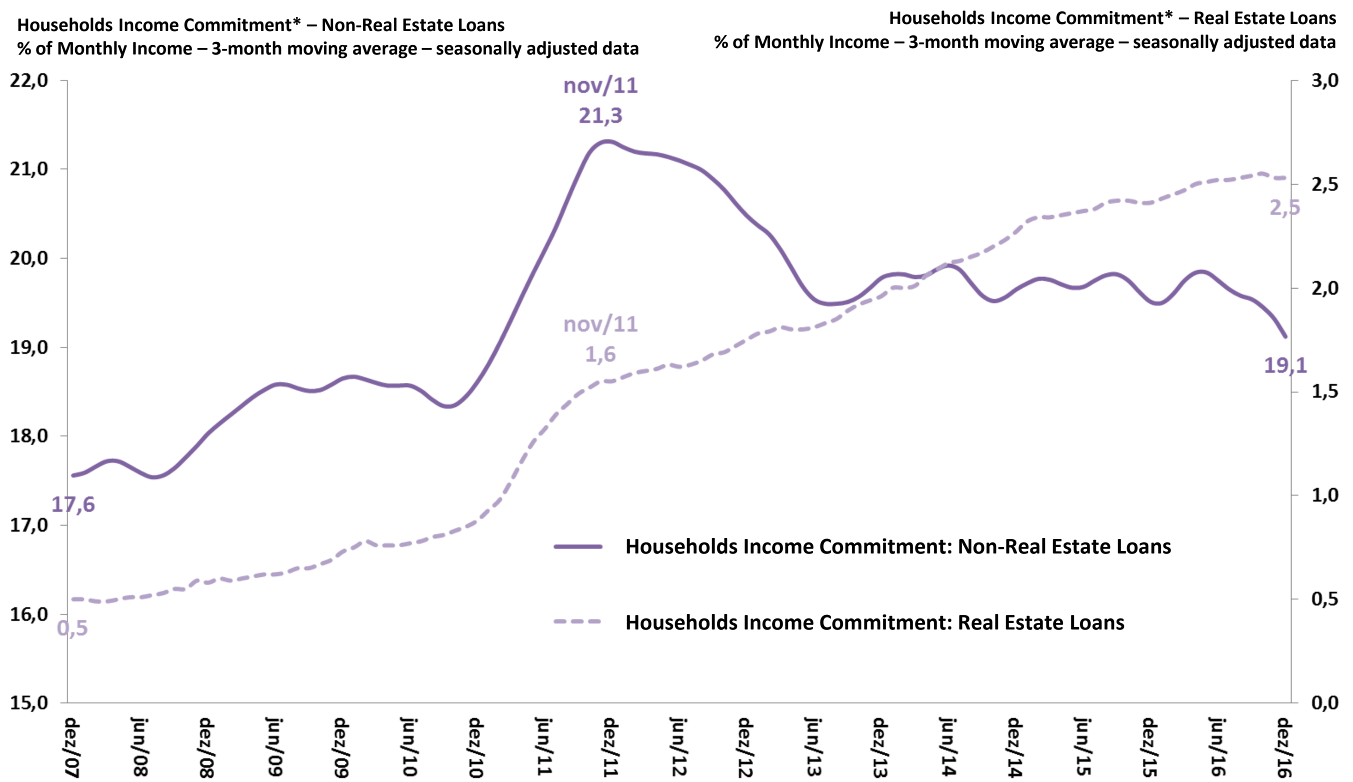
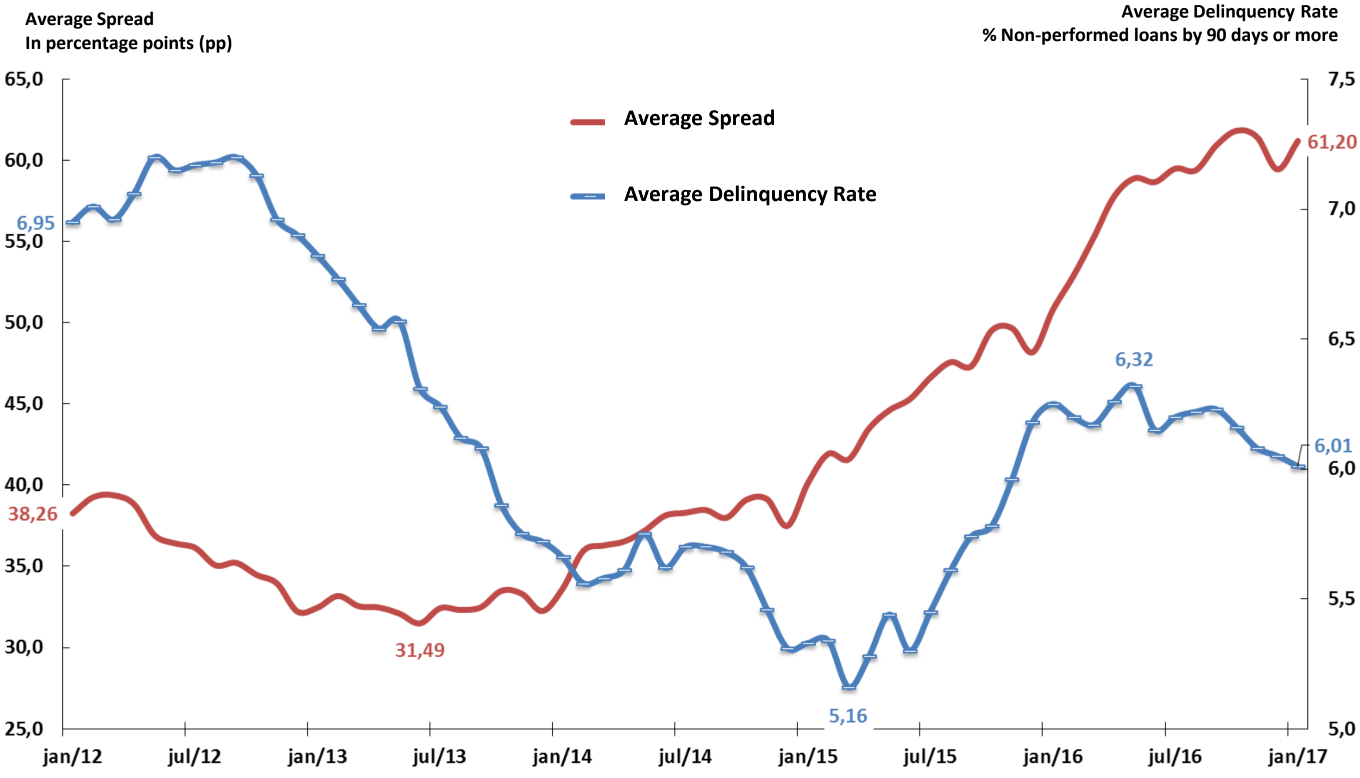
Households Income Commitment



Source: Central Bank of Brazil. * Households Income Commitment = Loans Service Monthly Expenditure / Monthly Income.

Households Loans: Spread and Delinquency Rates



Source: Central Bank of Brazil.

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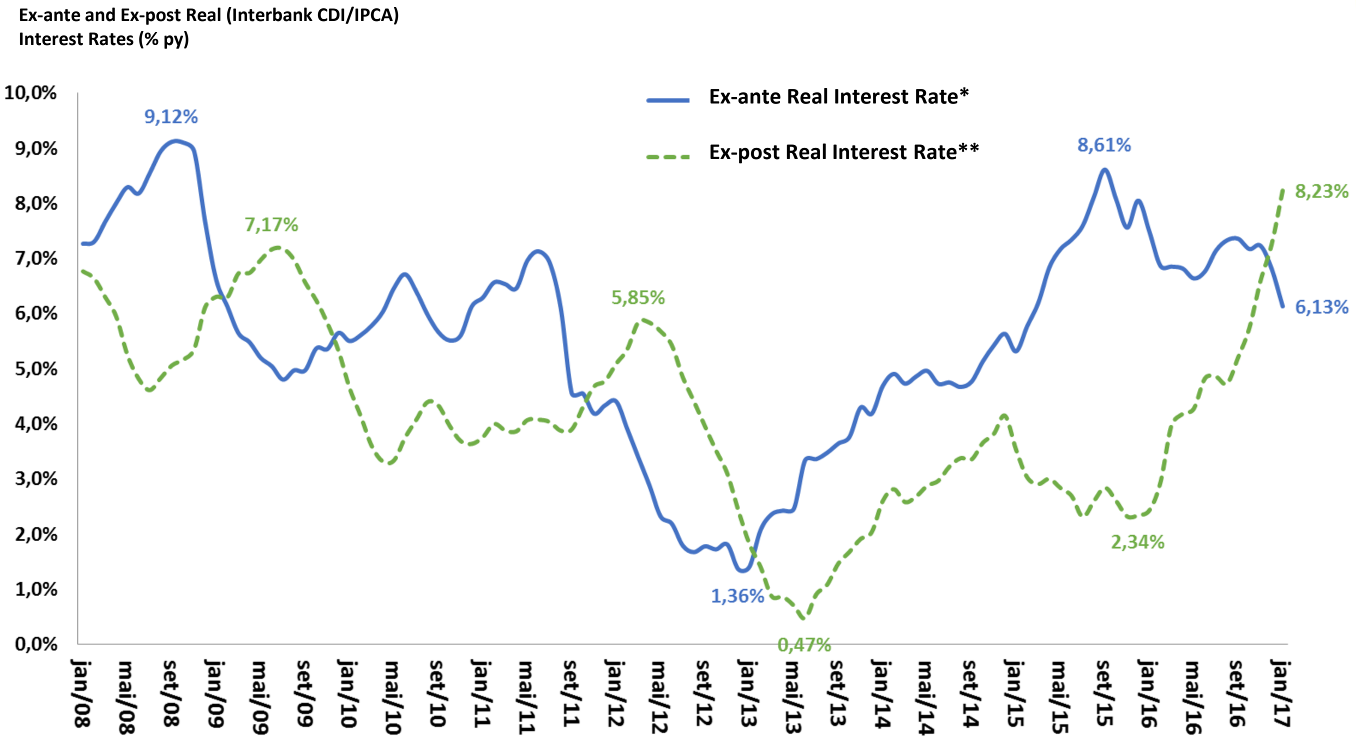
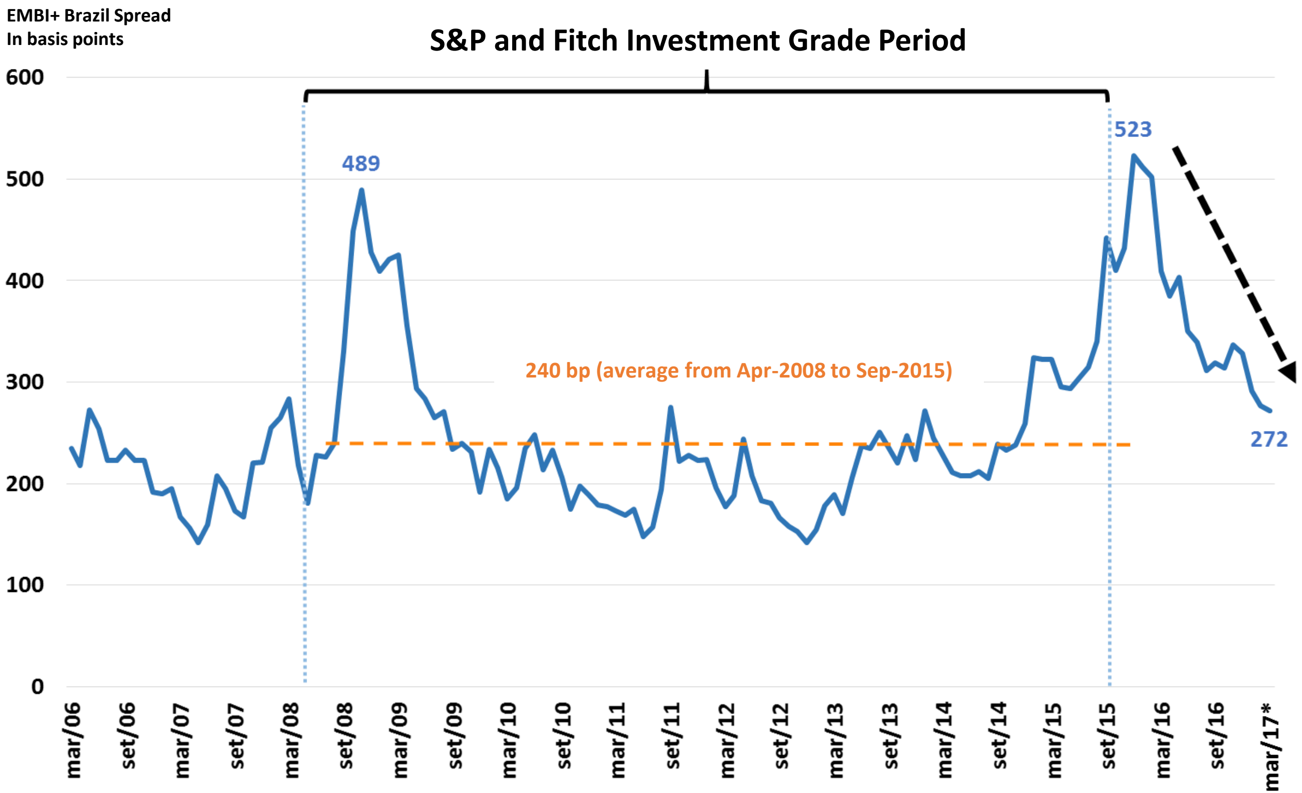
Ex-ante and Ex-post Real Interest Rates Evolution



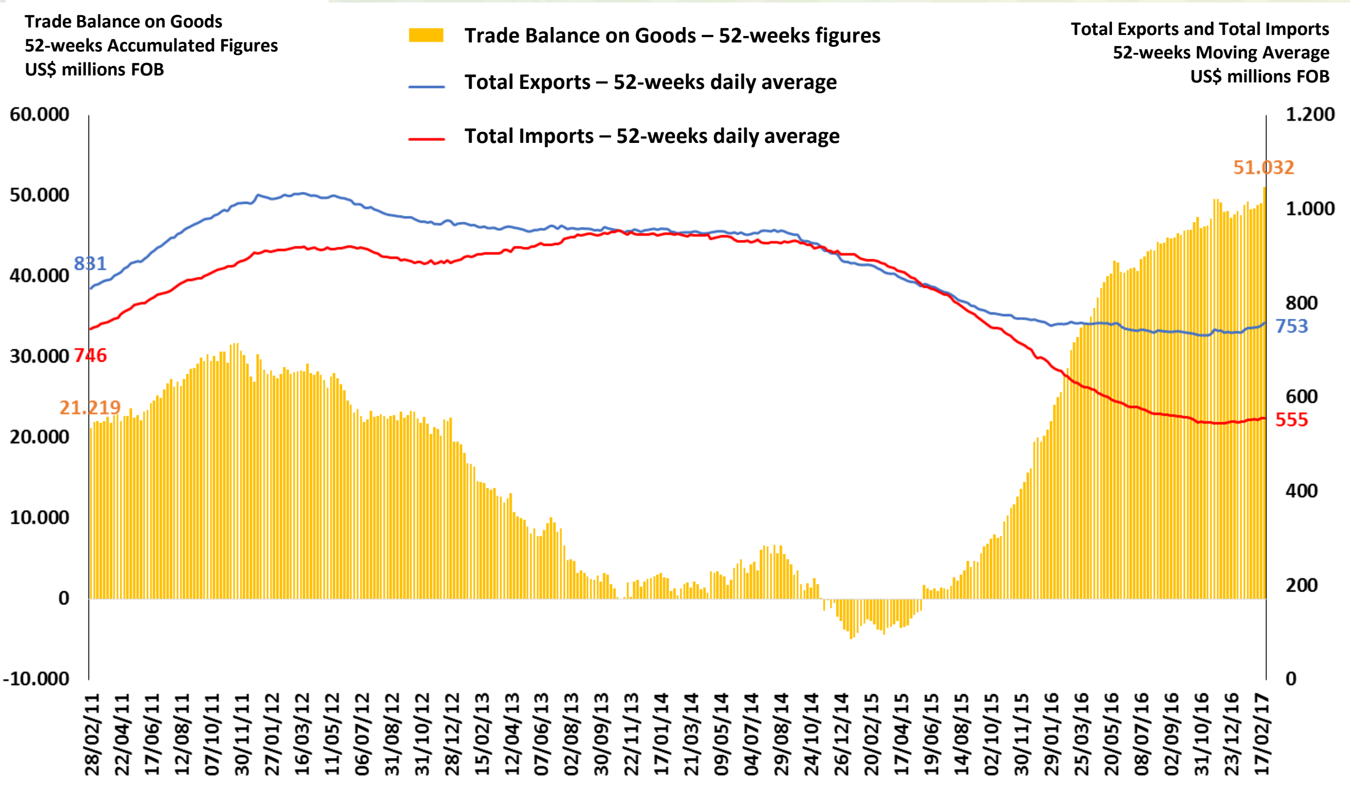
Source: Central Bank of Brazil.
* Ex-ante Real Interest Rate = Expected Interbank CDI/IPCA ratio, considering 360-days Swap DI-Pre rate and IPCA median of BCB-Focus Survey.
** Ex-post Real Interest Rate = Observed 12-months accumulated CDI/IPCA ratio.

Sovereign Risk Perception Evolution



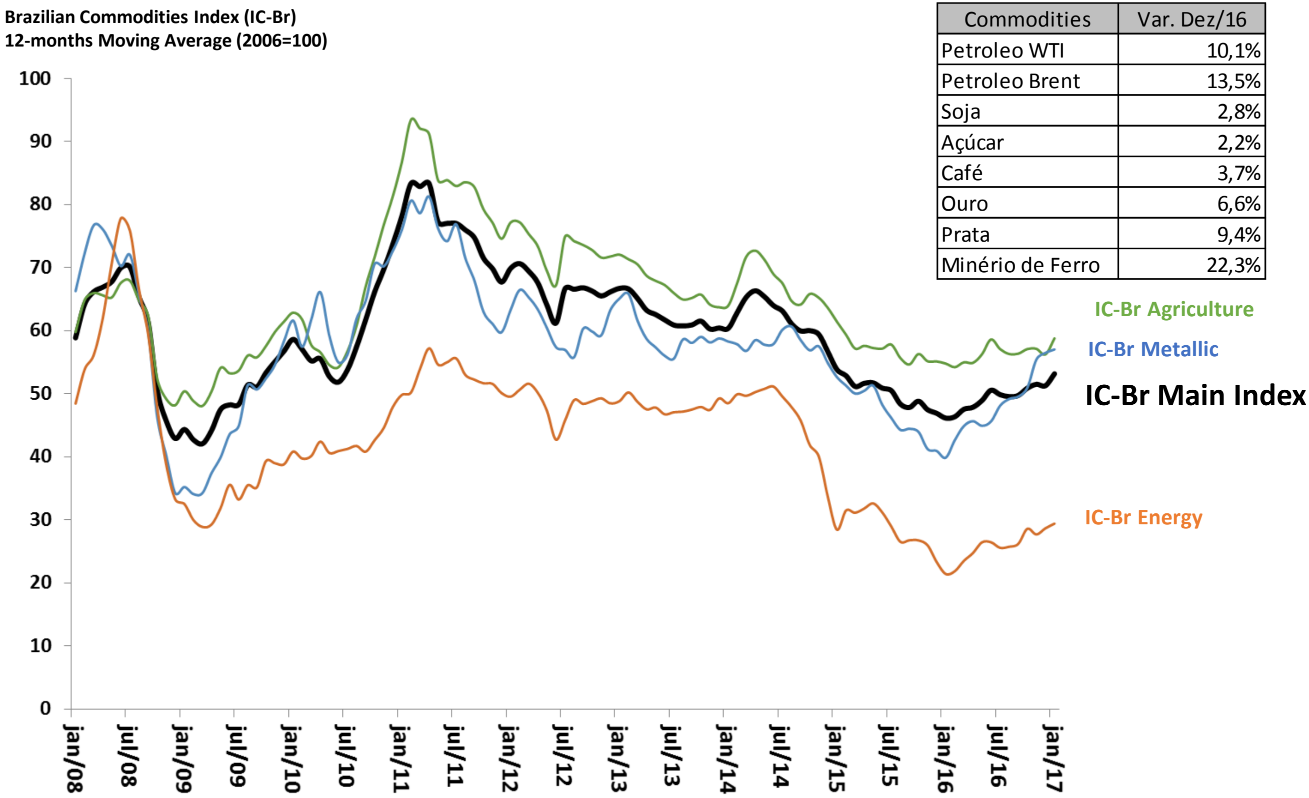
Source: JPMorgan. *3rd March 2017 value.

Daily Nominal Exchange Rate R$/US$



Source: SECEX/MDIC.

Brazilian Commodities Price Indexes



Commodities	Var. Dez/16
Petroleo WTI	10,1%
Petroleo Brent	13,5%
Soja	2,8%
Açúcar	2,2%
Café	3,7%
Ouro	6,6%
Prata	9,4%
Minério de Ferro	22,3%

Source: Central Bank of Brazil.

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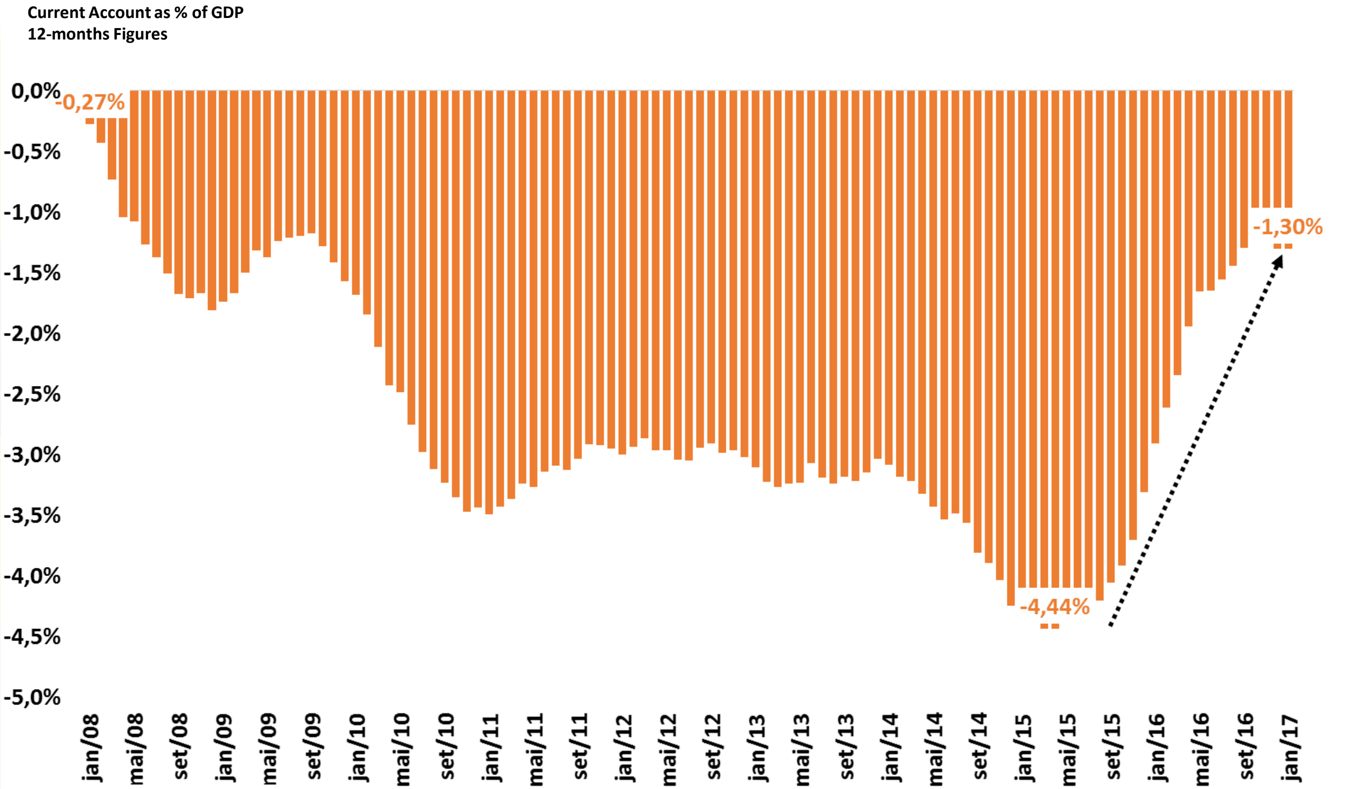
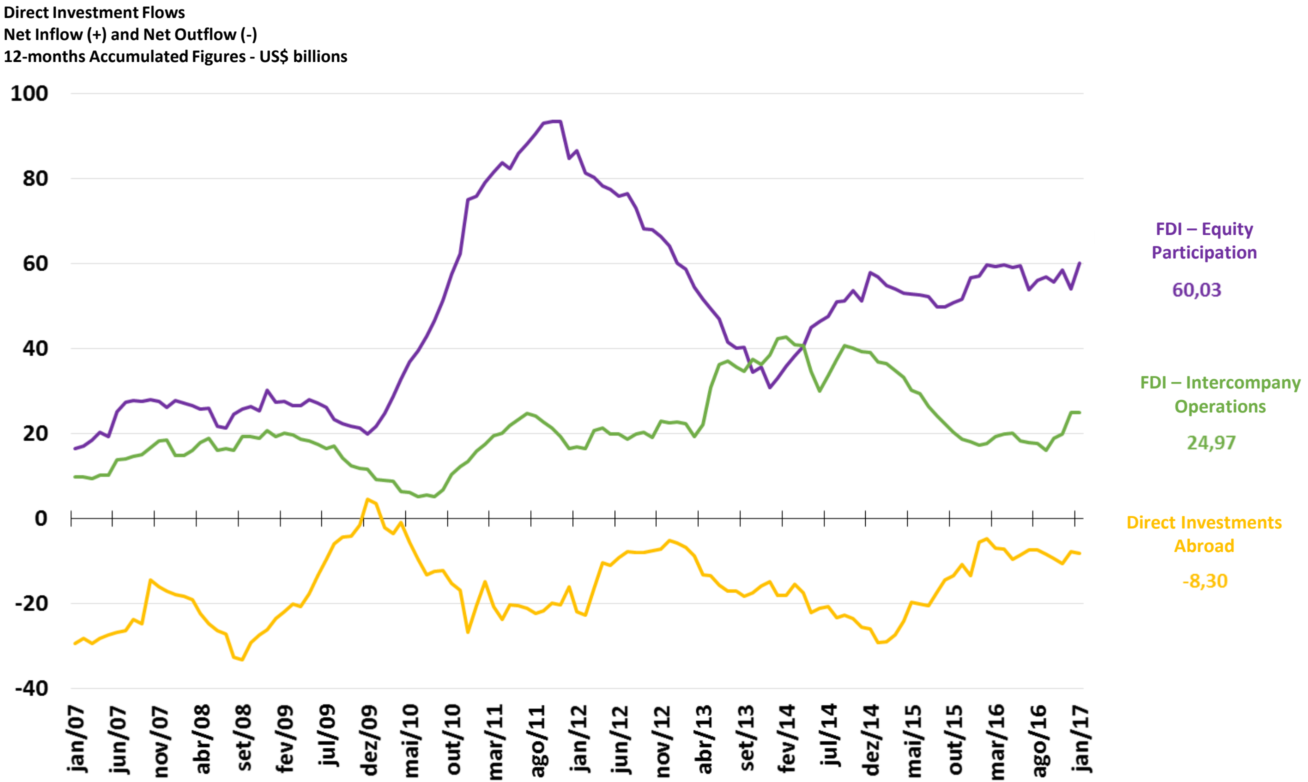
Current Account Deficit as % of GDP



Source: Central Bank of Brazil.

Direct Investments and Components



Source: Central Bank of Brazil.

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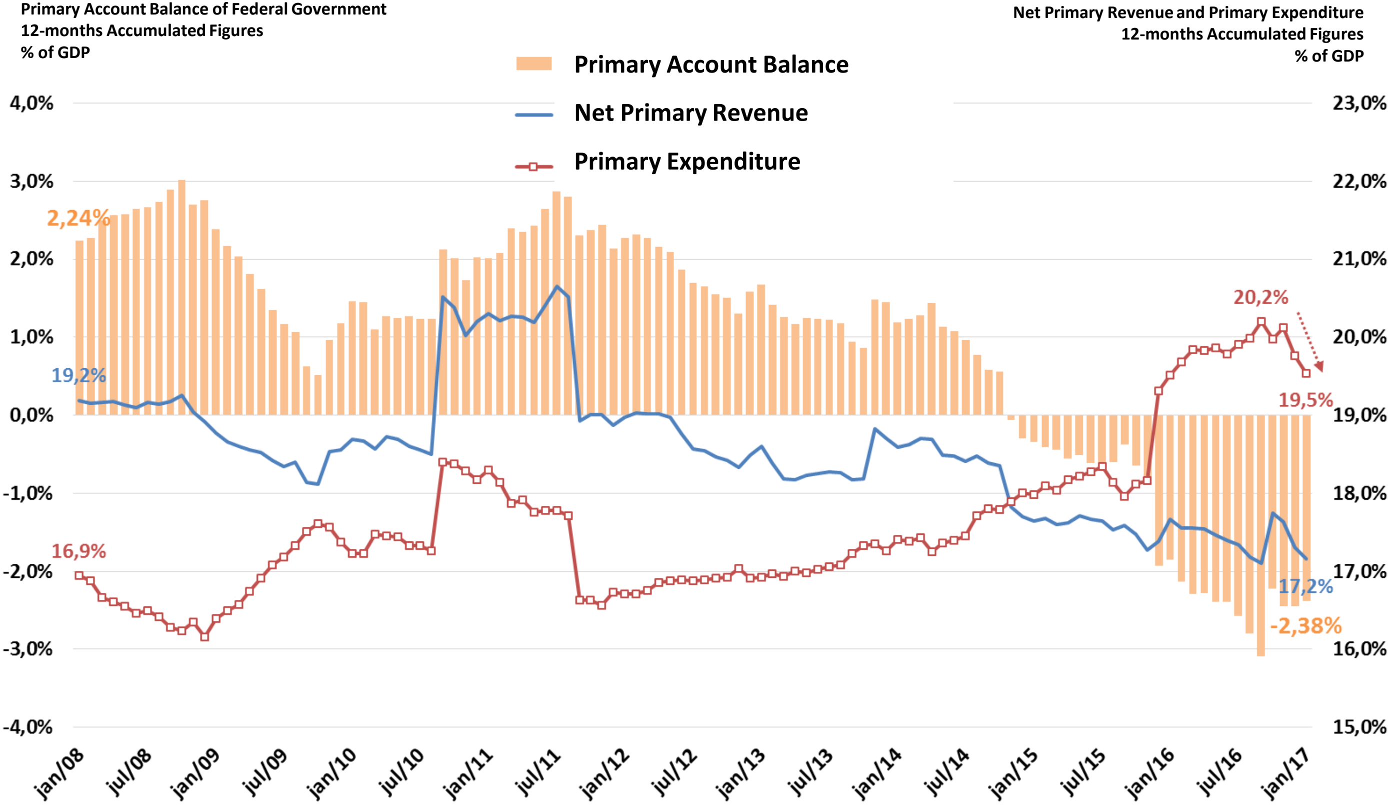
Primary Account Balance of Federal Government (as % GDP)



Sources: STN/MF.

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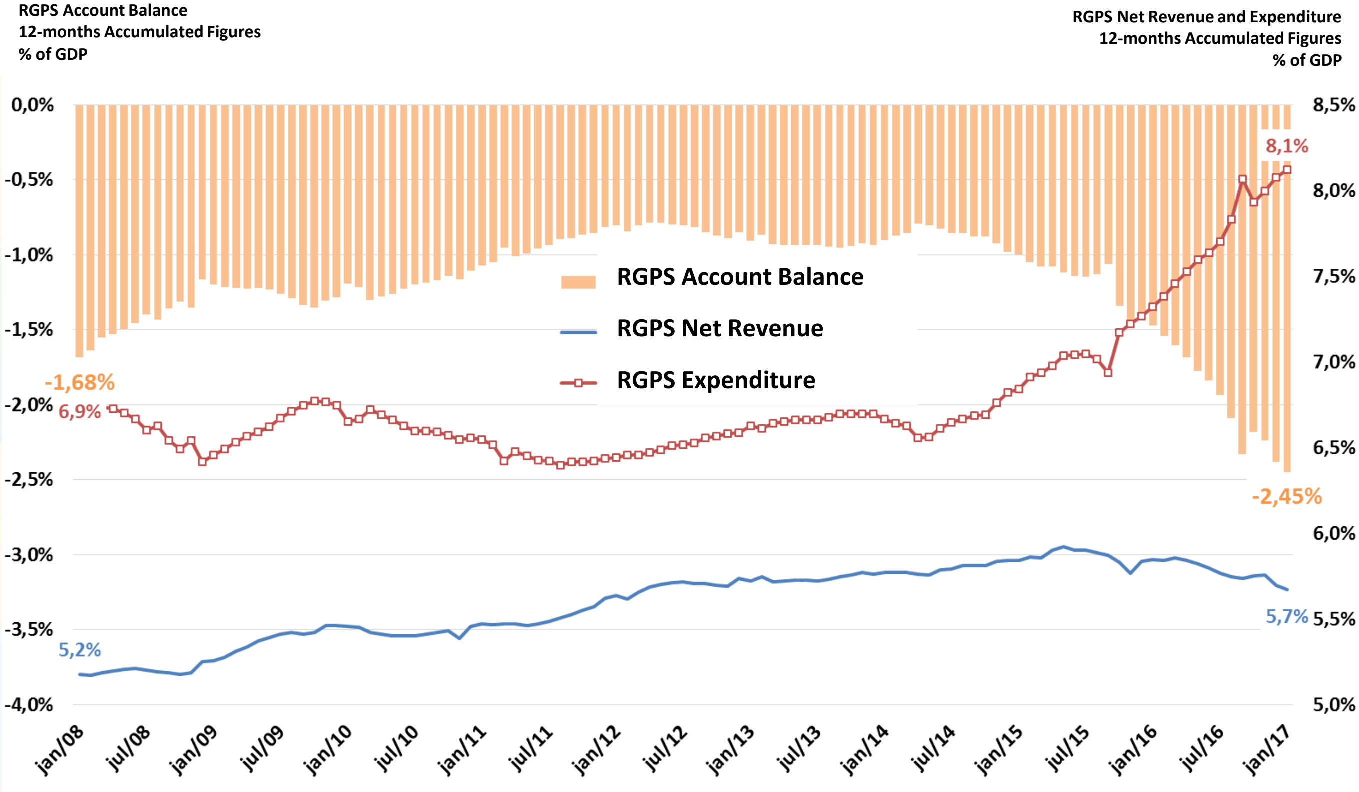
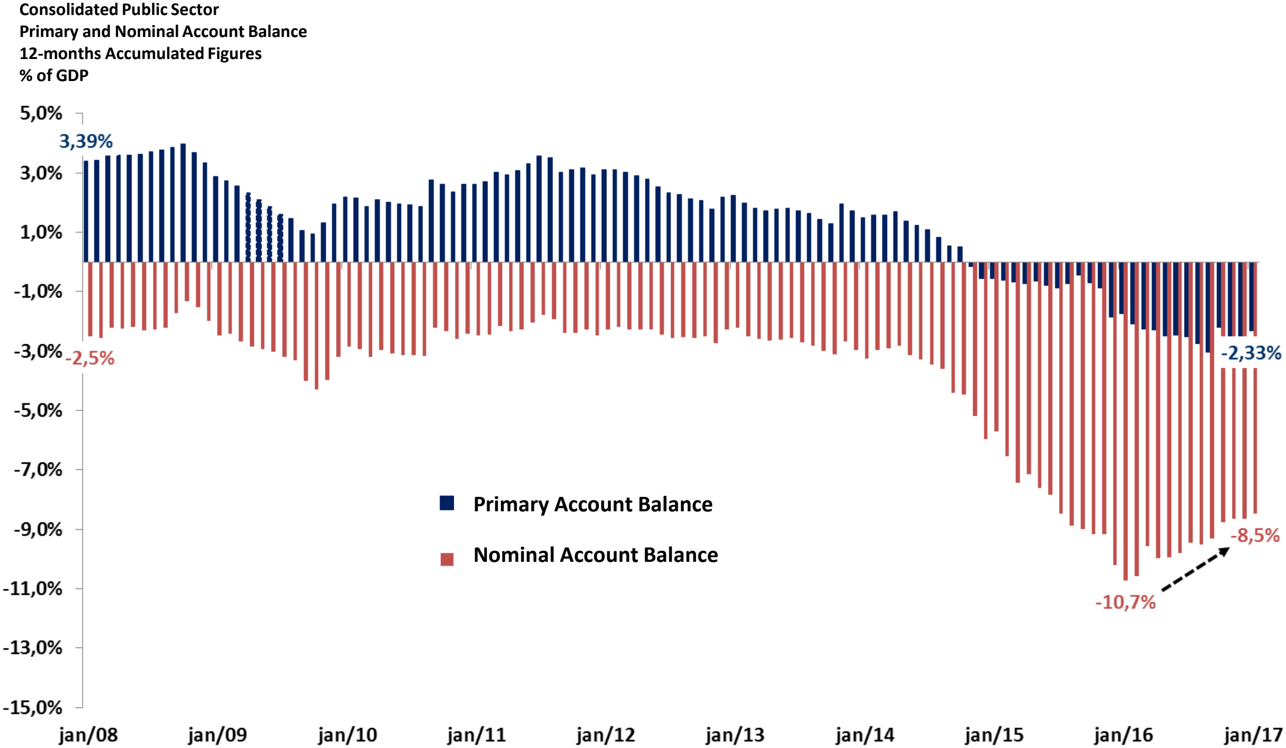
General Social Security System (RGPS) Account Balance



Sources: STN/MF.

General Public Sector Primary and Nominal Account Balance



Sources: Central Bank of Brazil.

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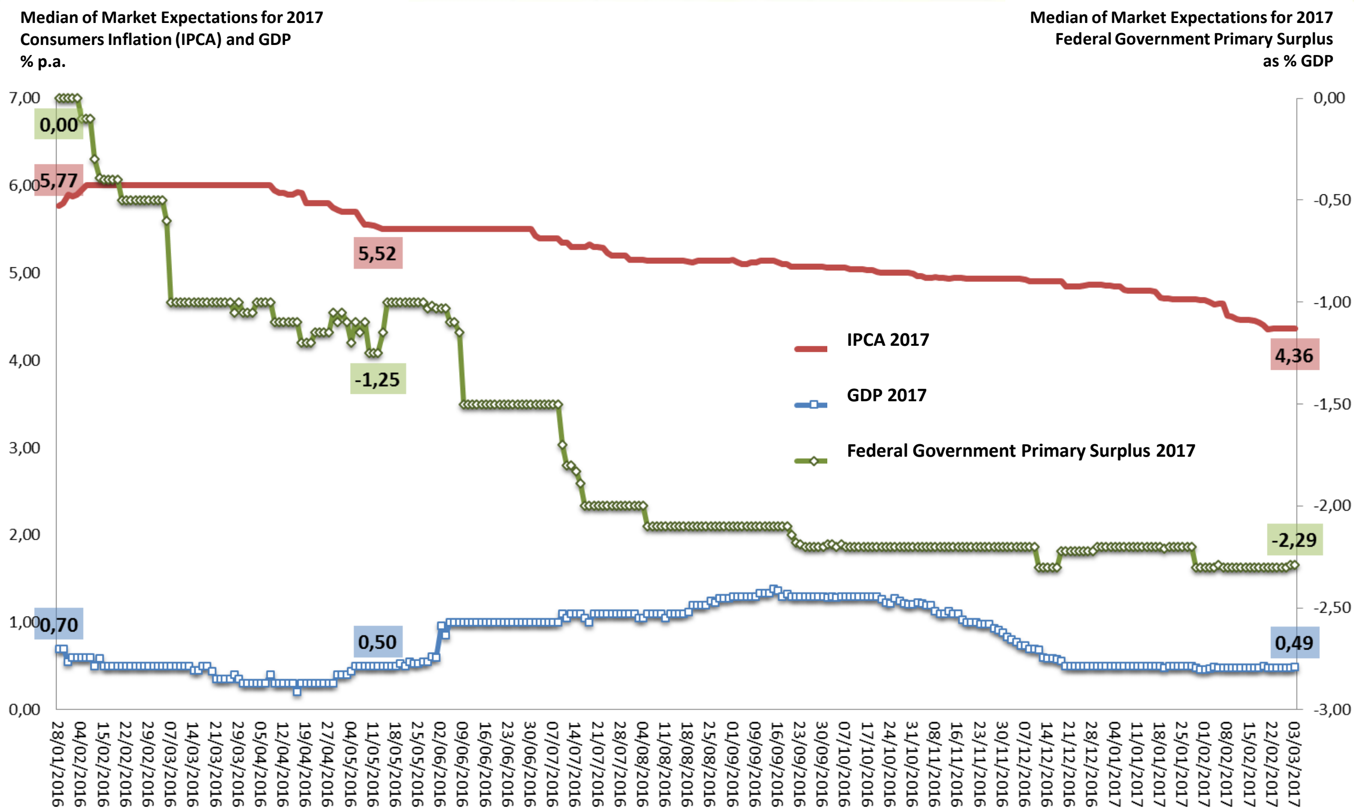
MARKET EXPECTATIONS

Market Expectations for 2017



Source: Focus Survey, Central Bank of Brazil.

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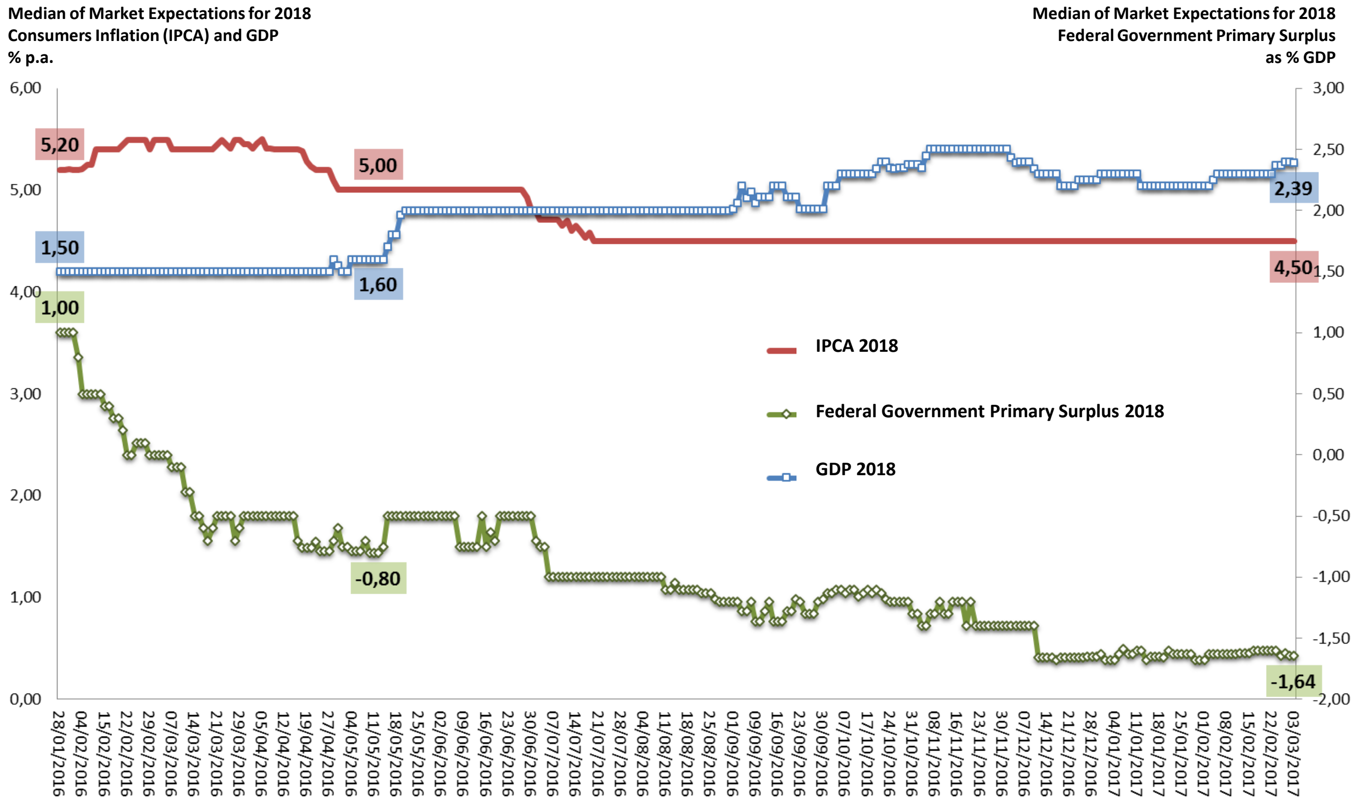
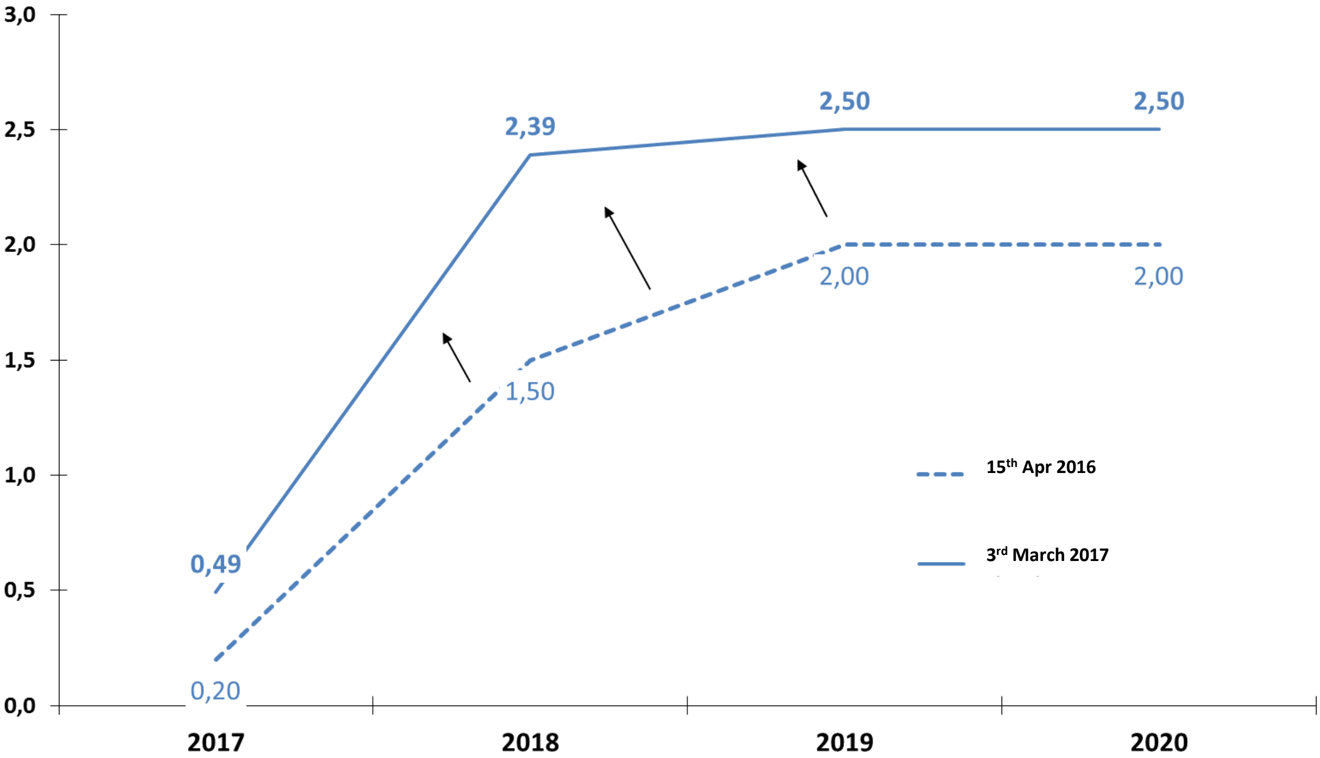
Market Expectations for 2018



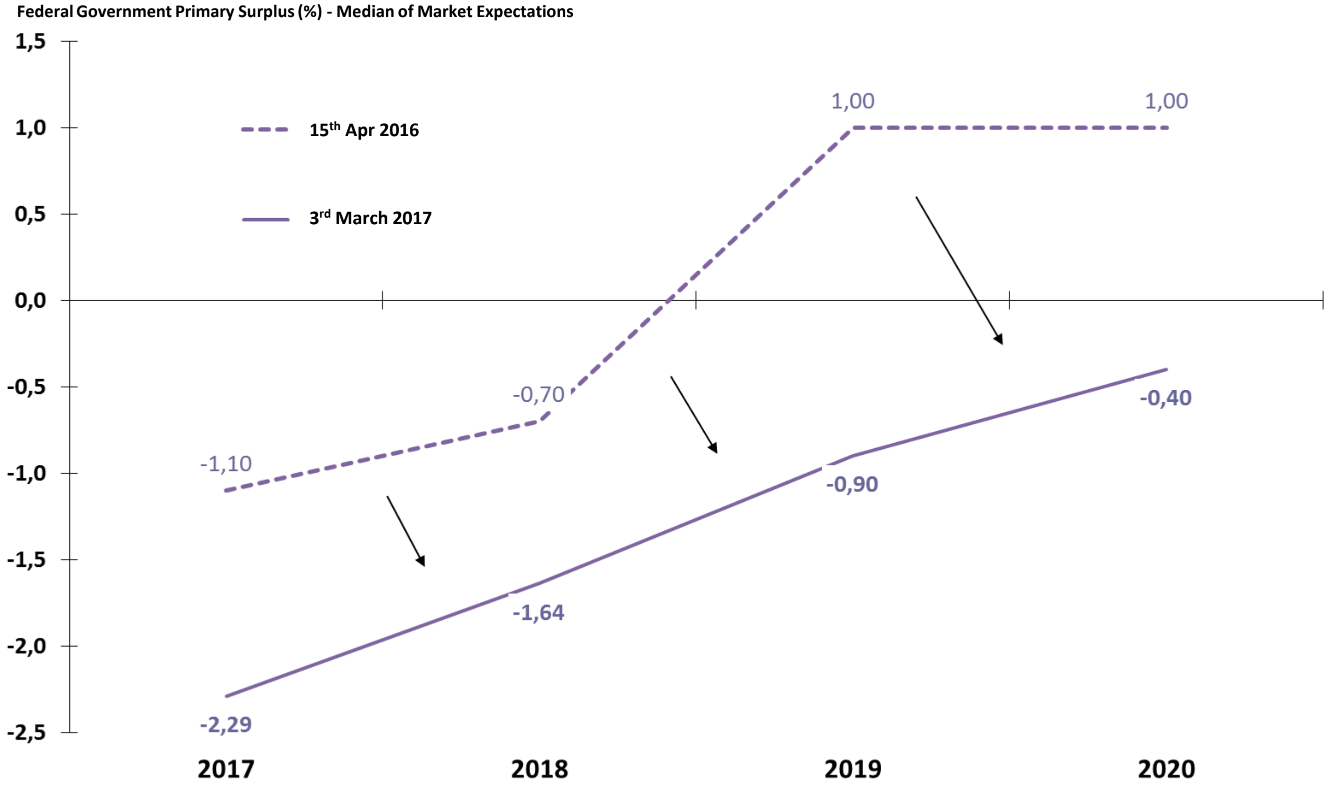
Source: Focus Survey, Central Bank of Brazil.

GDP: Median of Market Expectations



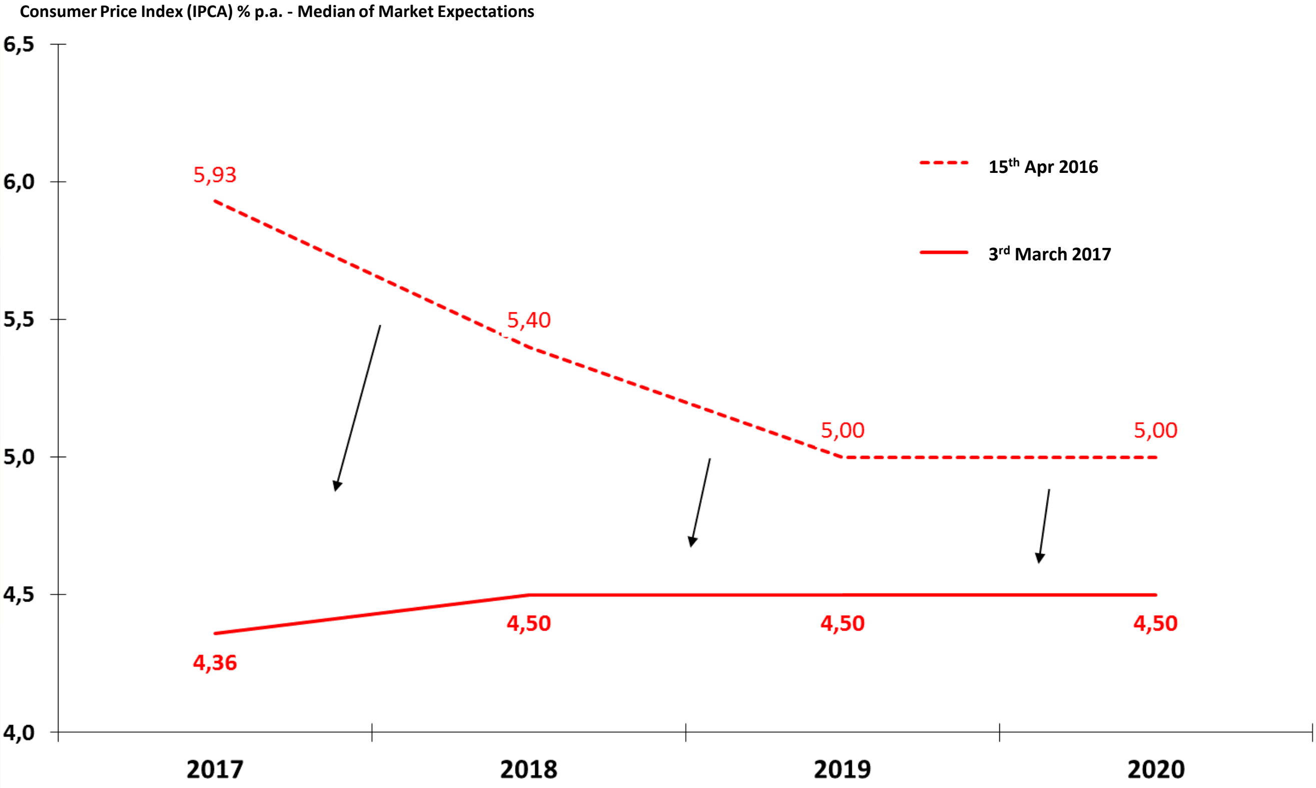
Source: Focus Survey, Central Bank of Brazil.

Primary Surplus: Median of Market Expectations



Source: Focus Survey, Central Bank of Brazil.

Consumer Price Index (IPCA): Median of Market Expectations



Source: Focus Survey, Central Bank of Brazil.

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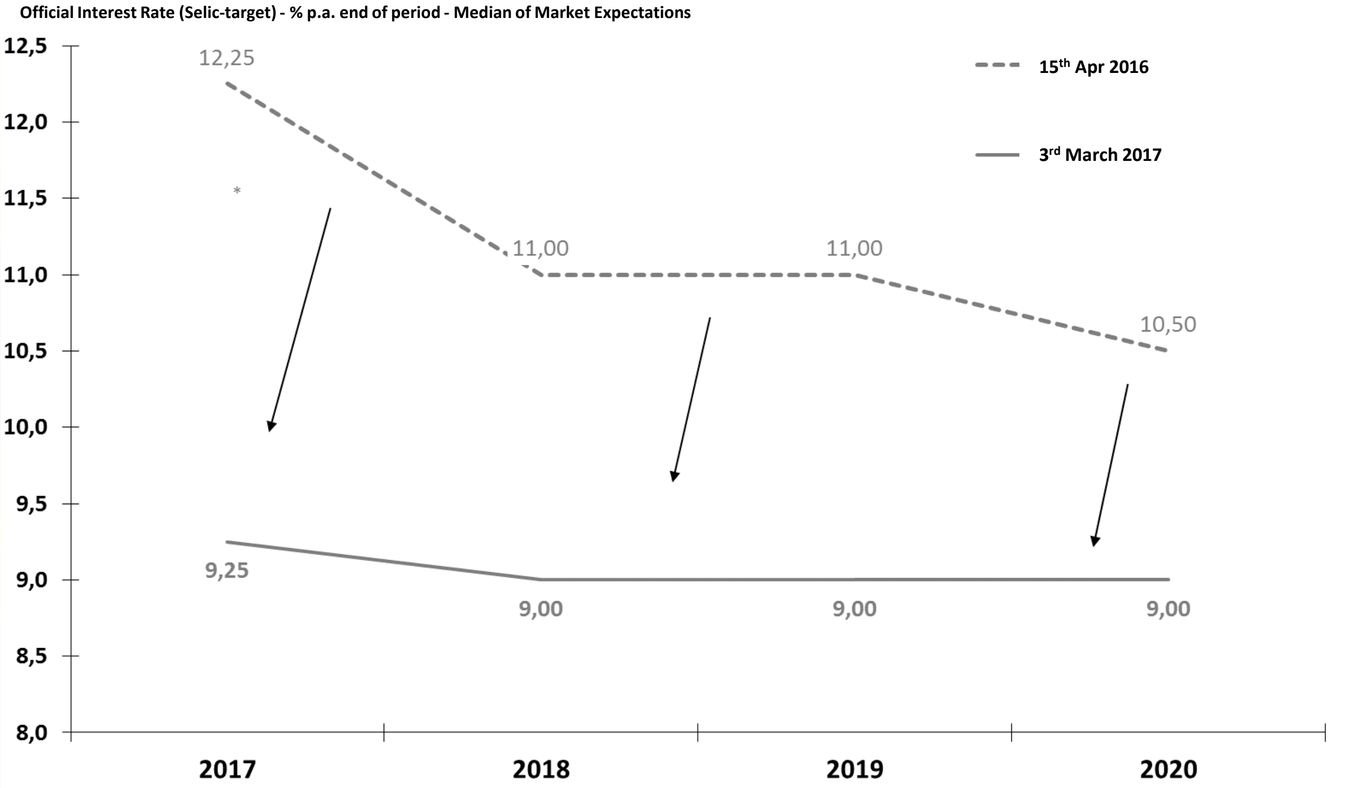
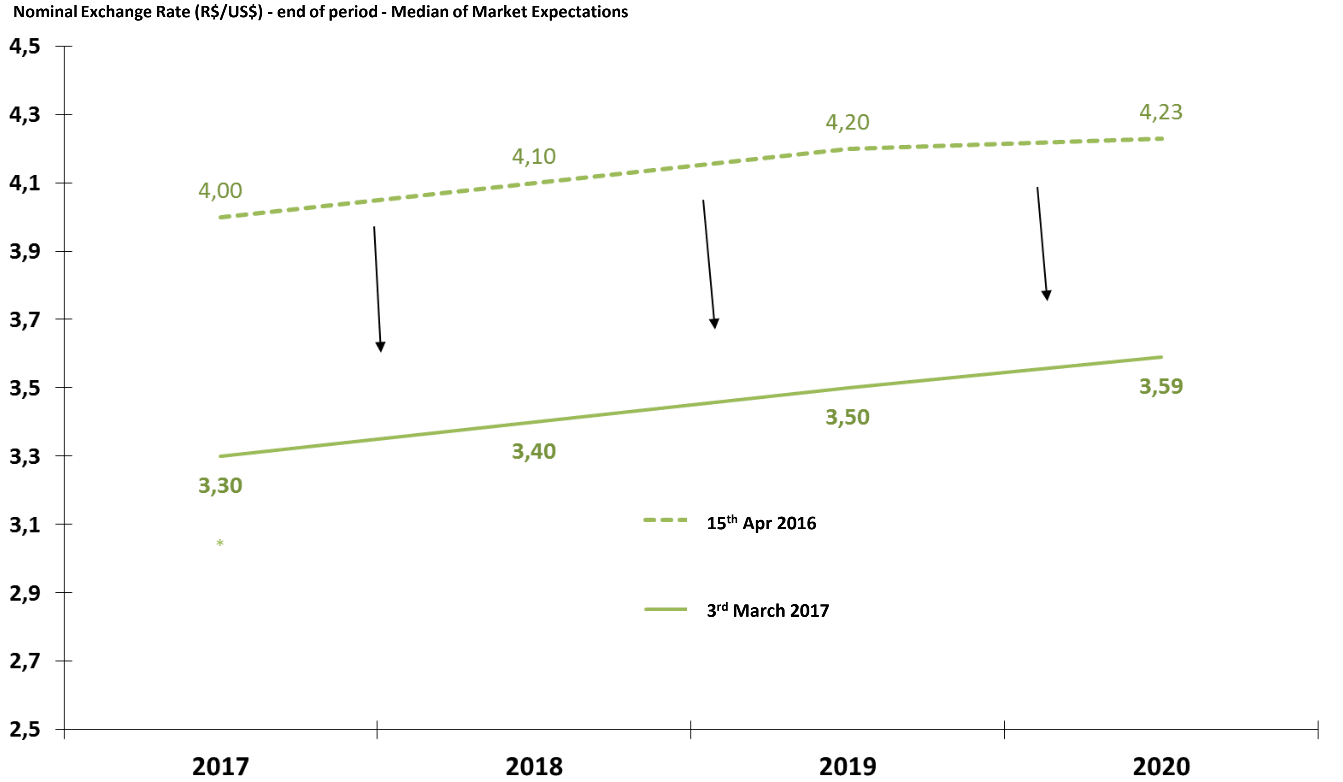
Official Interest Rate (Selic-target): Median of Market Expectations



Source: Focus Survey, Central Bank of Brazil.

Nominal Exchange Rate: Median of Market Expectations



Source: Focus Survey, Central Bank of Brazil.

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ECONOMIC ACTIVITY

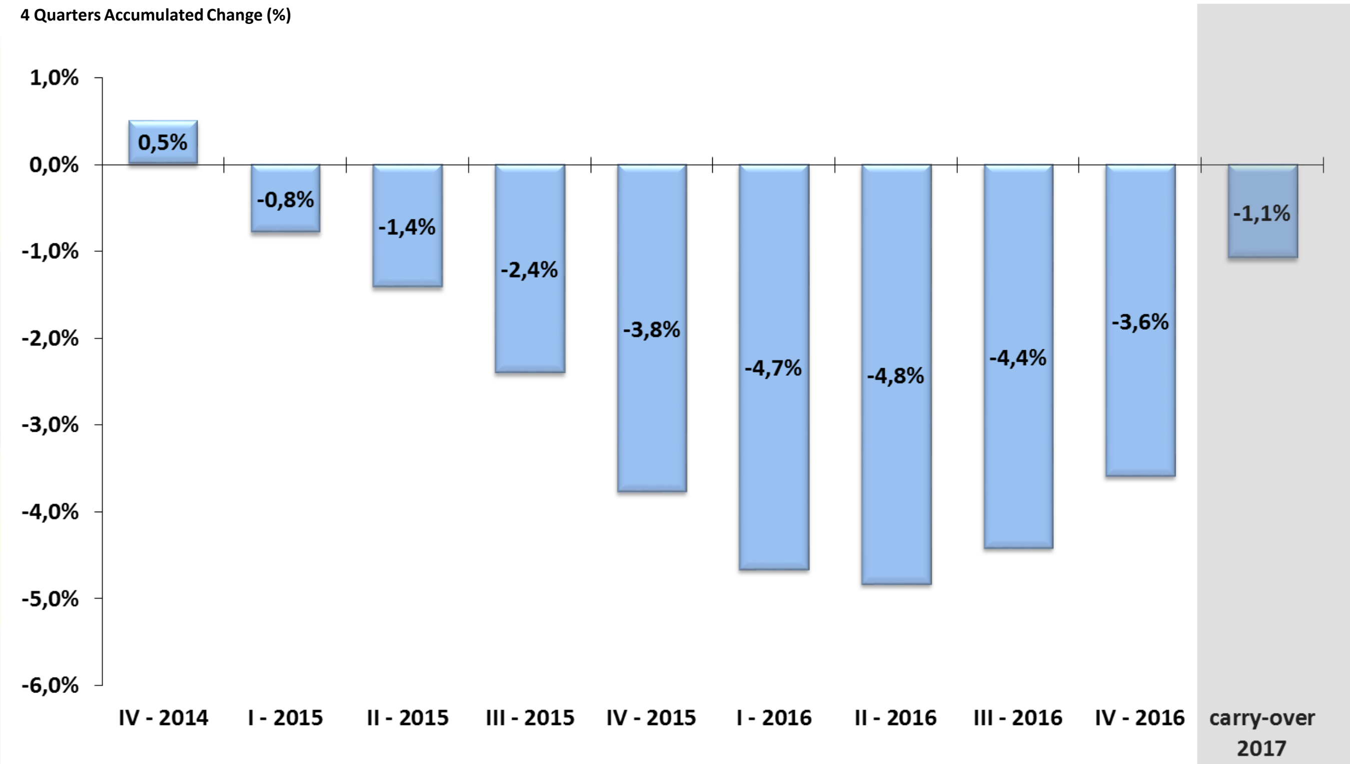
GDP and Quarterly Economic Activity

Gross Domestic Product (IBGE) Q4 2016 % change	2015	Q3-2016 / Q3-2015	Q4-2016 / Q4-2015	Q3-2016 / Q2-2016 (seasonally adjusted)	Q4-2016 / Q3-2016 (seasonally adjusted)	Year-To-Date	Q3-2016 accum. in 4-quarters	Q4-2016 accum. in 4-quarters	carry-over 2017	BCB/Focus: 03/03/2017 2017	2018	2019
Agriculture	3,6%	-6,0%	-5,0%	-2,1%	1,0%	-6,6%	-5,6%	-6,6%	-0,5%	4,03%	3,20%	3,00%
Industry	-6,3%	-2,9%	-2,5%	-1,4%	-0,7%	-3,8%	-5,4%	-3,8%	-0,9%	0,82%	2,45%	2,50%
Services	-2,7%	-2,2%	-2,4%	-0,5%	-0,8%	-2,7%	-3,2%	-2,7%	-1,0%	0,02%	2,00%	2,30%
GDP (market prices)	**-3,8%**	**-2,9%**	**-2,5%**	**-0,7%**	**-0,9%**	**-3,6%**	**-4,4%**	**-3,6%**	**-1,1%**	**0,49%**	**2,39%**	**2,50%**
Household Expenditure	-3,9%	-3,4%	-2,9%	-0,3%	-0,6%	-4,2%	-5,2%	-4,2%	-0,9%			
Government Expenditure	-1,1%	-0,8%	-0,1%	-0,4%	0,1%	-0,6%	-1,0%	-0,6%	-0,1%			
Gross Fixed Capital Formation	-13,9%	-8,4%	-5,4%	-2,5%	-1,6%	-10,2%	-13,5%	-10,2%	-2,3%			
Exports of Goods and Services	6,3%	0,2%	-7,6%	-3,2%	-1,8%	1,9%	6,8%	1,9%	-3,1%			
Imports of Goods and Services (-)	-14,1%	-6,8%	-1,1%	-3,1%	3,2%	-10,3%	-14,8%	-10,3%	2,2%			

Economic Activity Indicators (BCB and IBGE) Q4 2016 % change	2015	Q3-2016 / Q3-2015	Q4-2016 / Q4-2015	Q3-2016 / Q2-2016 (seasonally adjusted)	Q4-2016 / Q3-2016 (seasonally adjusted)	Year-To-Date	Q3-2016 accum. in 4-quarters	Q4-2016 accum. in 4-quarters	carry-over 2017
IBC-Br Economic Activity Index*	**-4,3%**	**-3,6%**	**-3,1%**	**-0,4%**	**-0,4%**	**-4,3%**	**-5,1%**	**-4,3%**	**-0,6%**
LSPA: Agricultural Crop Production	8,2%	-11,2%	-12,5%	-5,7%	-1,3%	-12,5%	-11,2%	-12,5%	-5,5%
PIM: Industry Physical Production	-8,2%	-5,3%	-3,1%	-0,7%	-0,7%	-6,6%	-8,7%	-6,6%	-0,6%
PMC: Extended Retail Trade Sales	-8,6%	-9,0%	-7,3%	-2,6%	-0,9%	-8,7%	-10,0%	-8,7%	-2,6%
PMS: Volume of Services	-3,6%	-4,5%	-6,0%	-0,6%	-2,7%	-5,0%	-5,0%	-5,0%	-2,6%

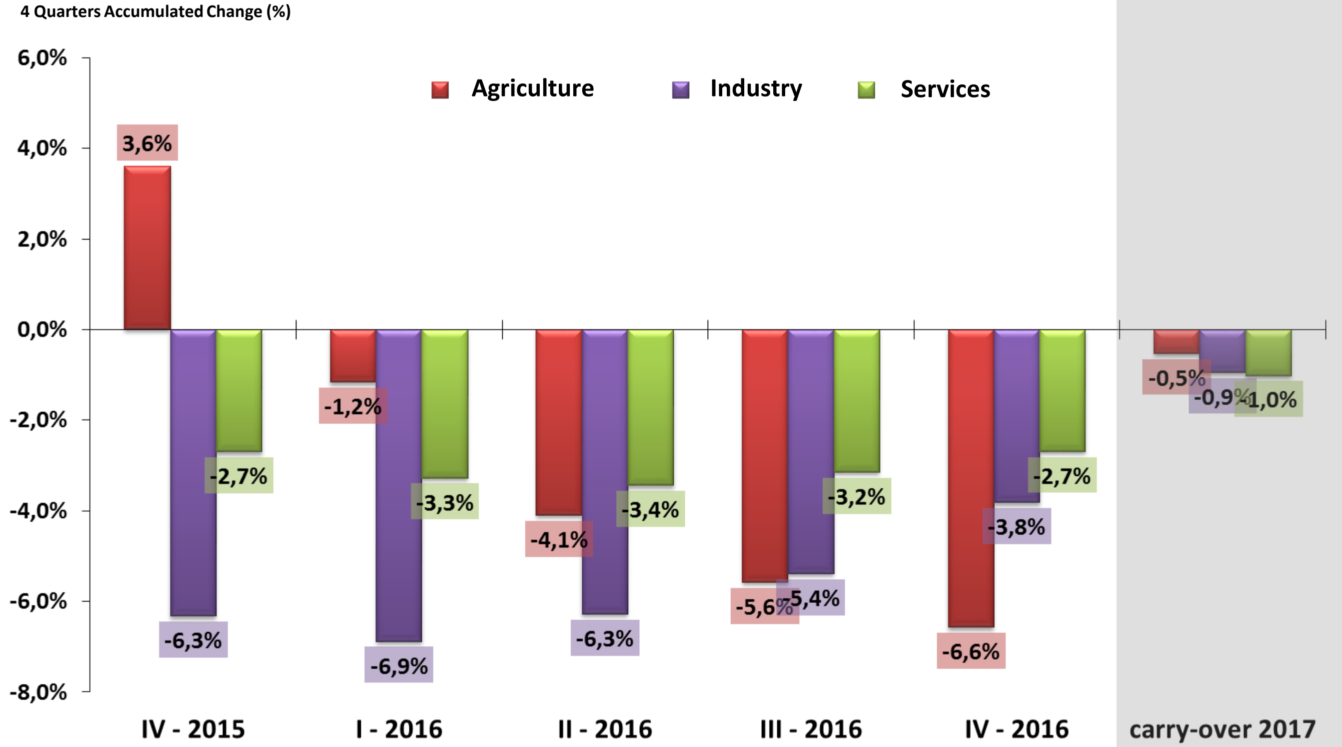
LSPA: Systematic Survey of Agricultural Production (IBGE)
PIM: Monthly Survey of Industry (IBGE)
PMC: Monthly Survey of Trade (IBGE)
PMS: Monthly Survey of Services (IBGE)

GDP Quarterly Evolution



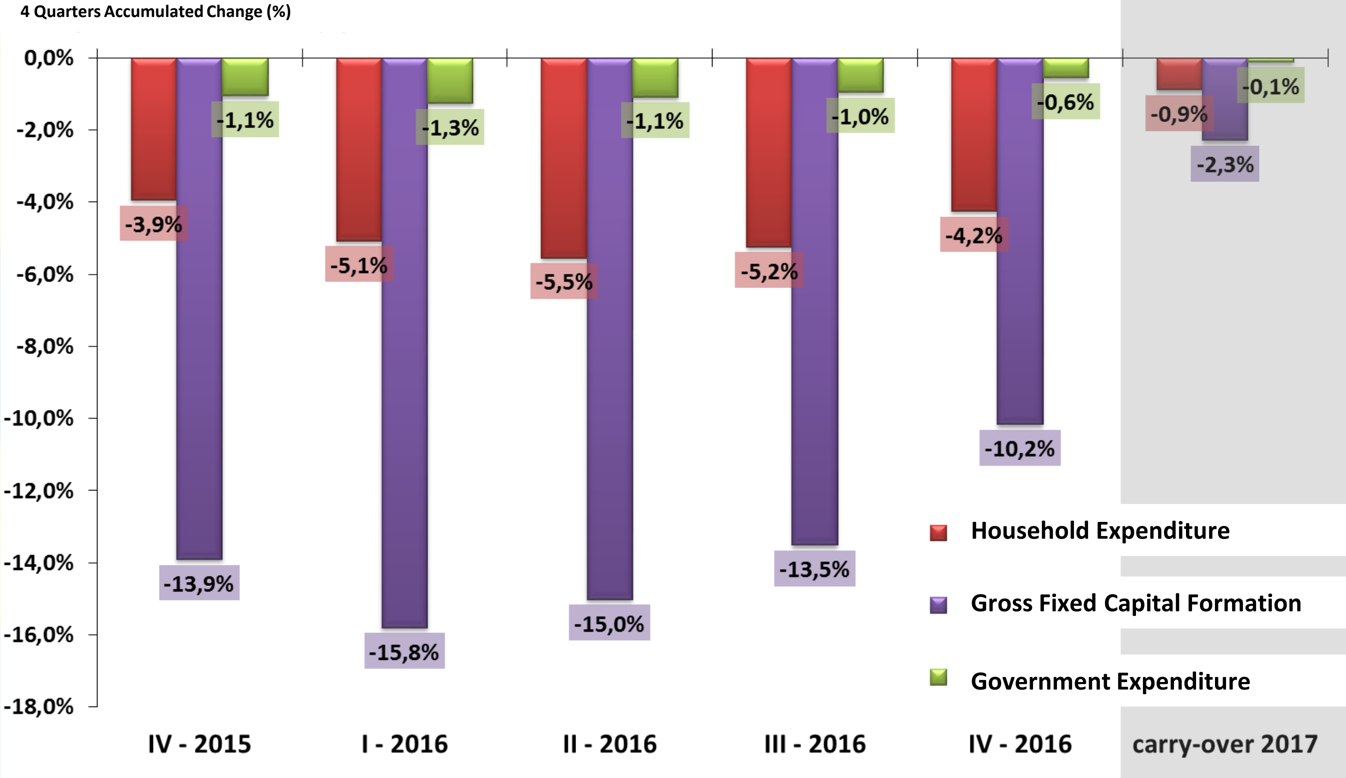
Source: IBGE, Quarterly National Accounts Series.
Note: Carry-over 2007 based on 2016 4th quarter seasonally adjusted level compared to 2016 average.

GDP Quarterly Evolution Production Approach



Source: IBGE, Quarterly National Accounts Series.
Note: Carry-over 2007 based on 2016 4th quarter seasonally adjusted level compared to 2016 average.

GDP Quarterly Evolution Expenditure Approach



Source: IBGE, Quarterly National Accounts Series.
Note: Carry-over 2007 based on 2016 4th quarter seasonally adjusted level compared to 2016 average.

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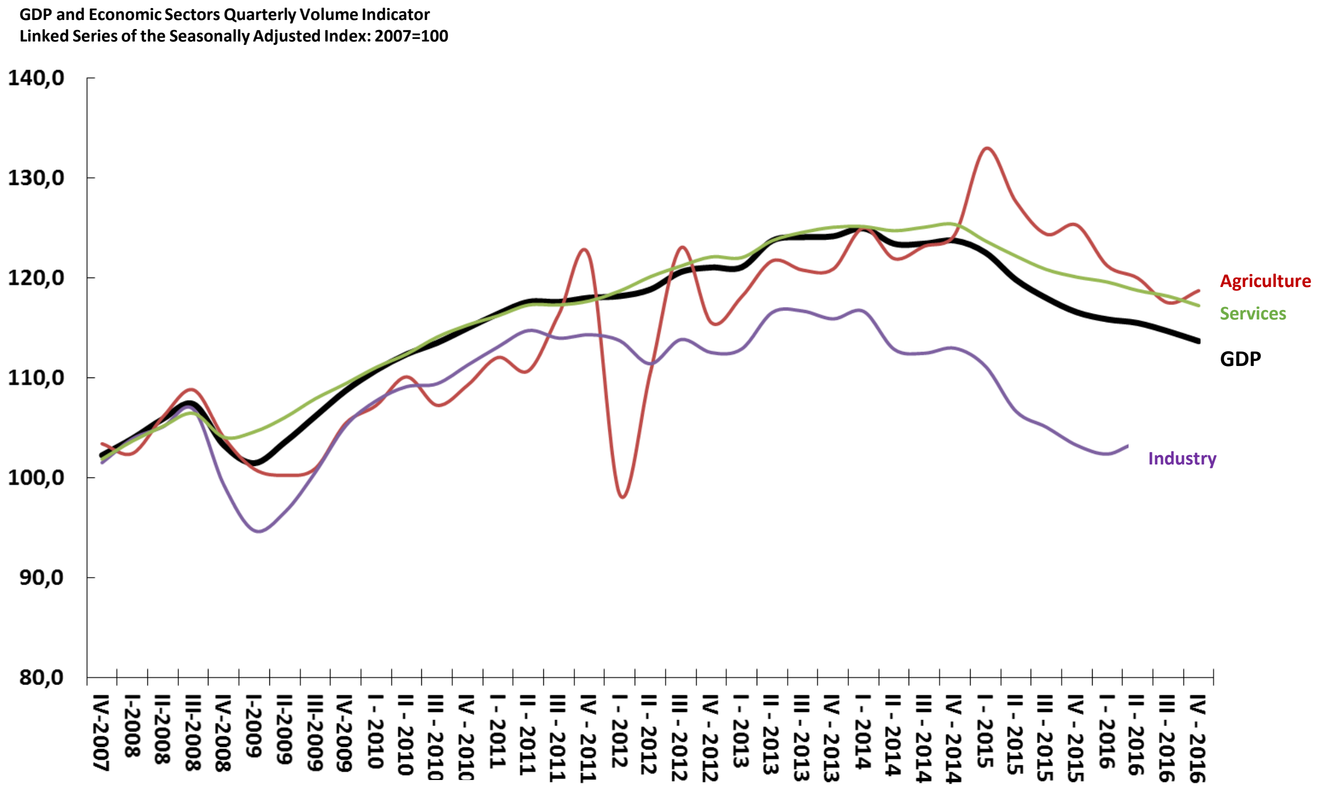
Quarterly GDP by Production Approach



Source: IBGE, Quarterly National Accounts Series.

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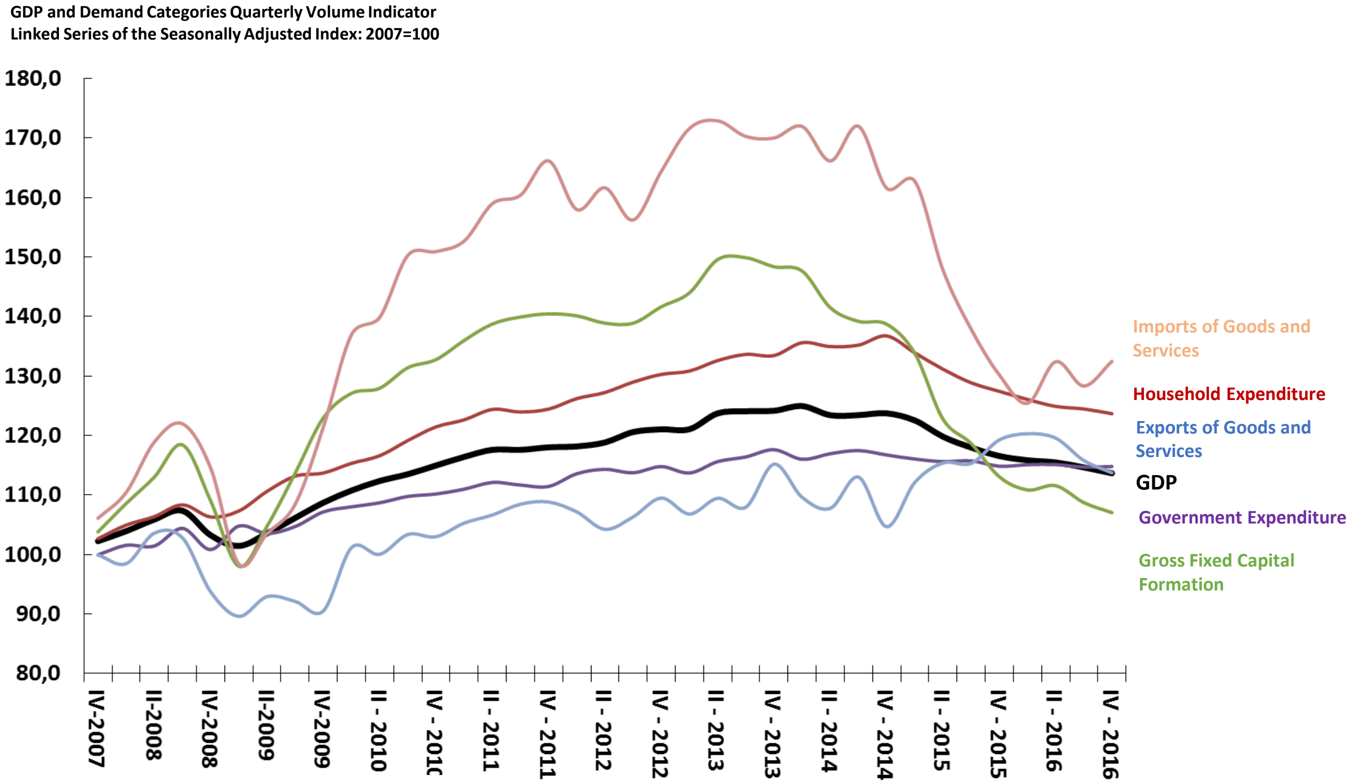
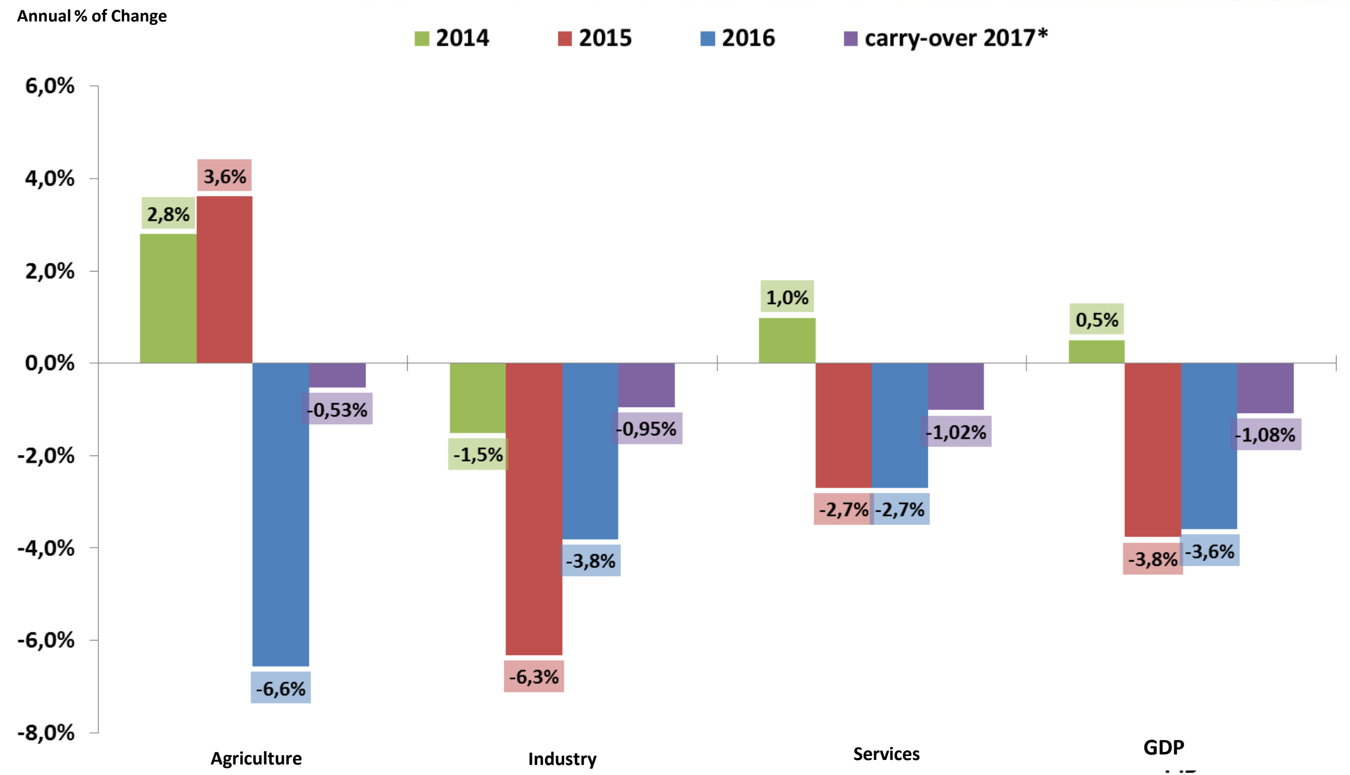
Quarterly GDP by Expenditure Approach



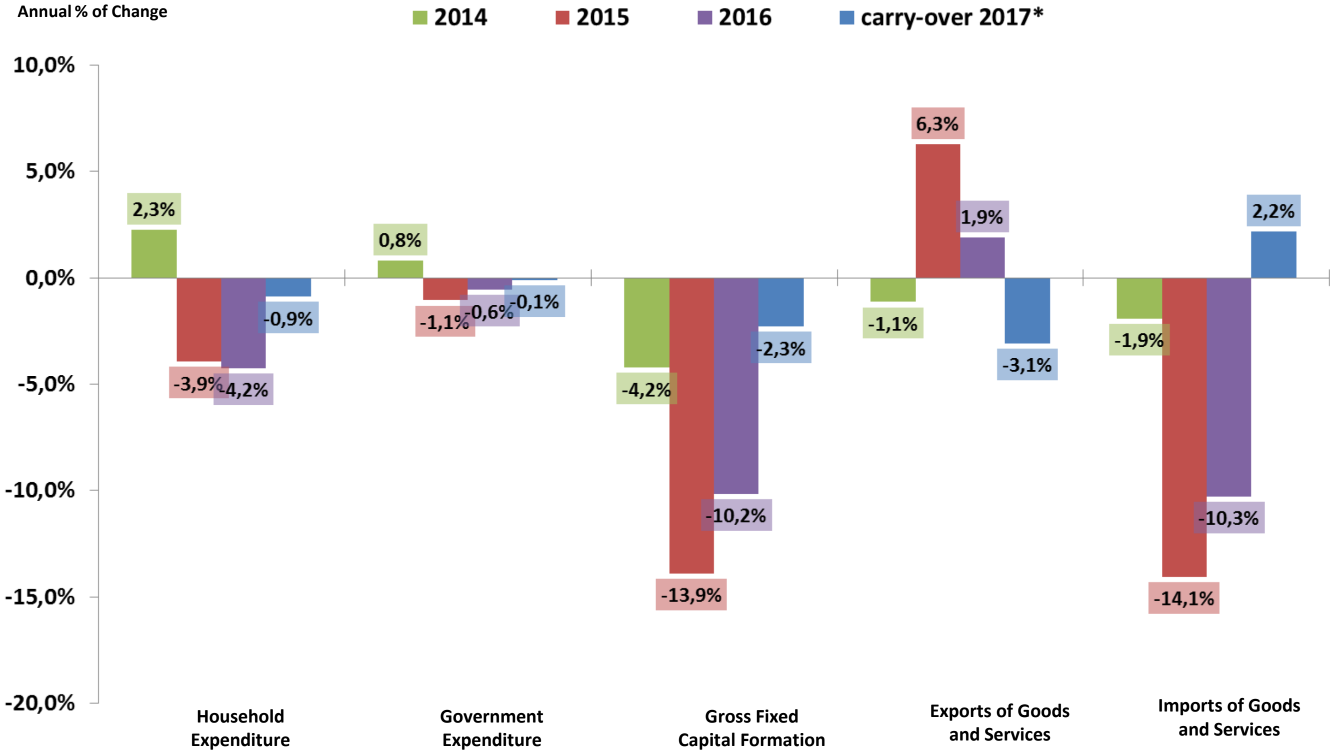
Source: IBGE, Quarterly National Accounts Series.

Annual GDP Real Growth by Production Approach



Source: IBGE, Quarterly National Accounts Series.
Note: Carry-over 2007 based on 2016 4th quarter seasonally adjusted level compared to 2016 average.

Annual GDP Real Growth by Expenditure Approach



Source: IBGE, Quarterly National Accounts Series.
Note: Carry-over 2007 based on 2016 4th quarter seasonally adjusted level compared to 2016 average.

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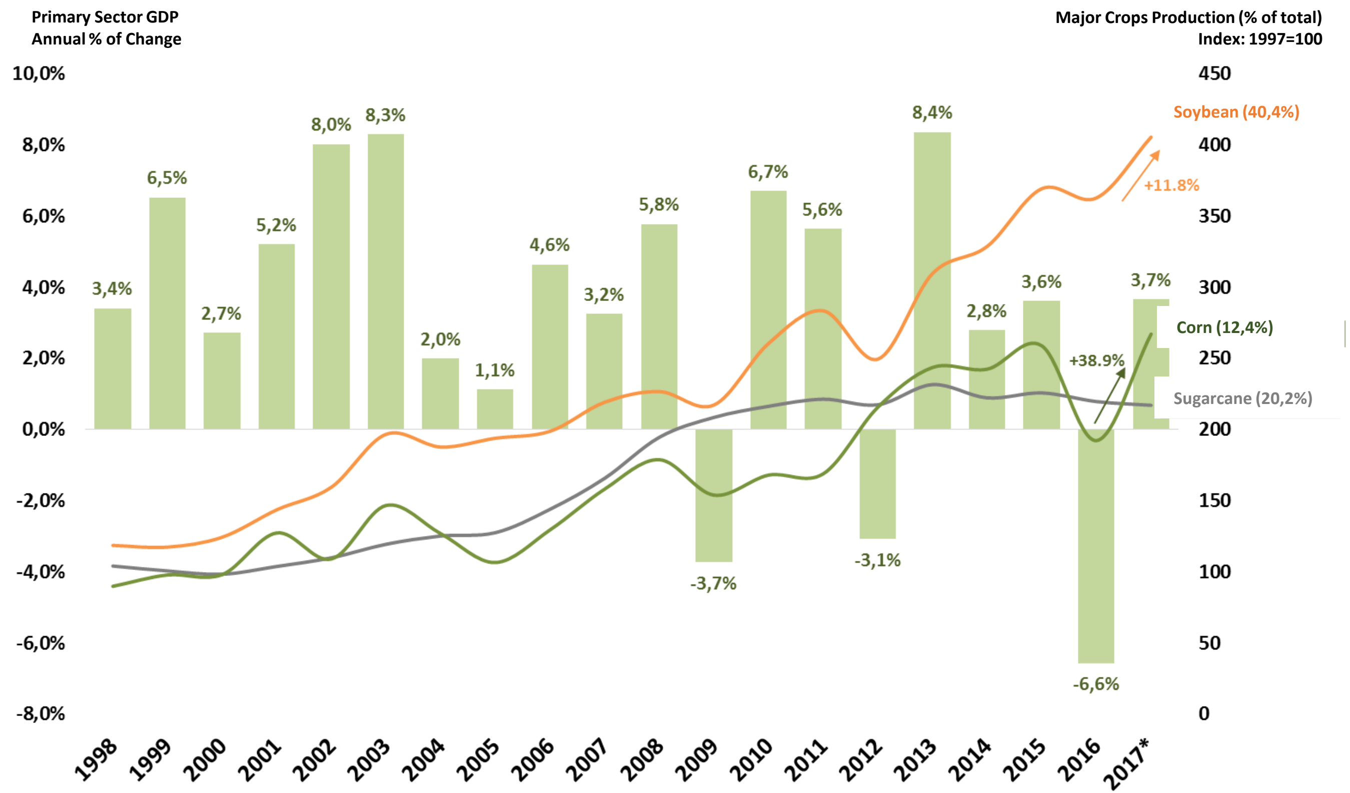
Primary Sector Performance by Major Crops



Source: IBGE, Systematic Survey of Agricultural Production (LSPA)

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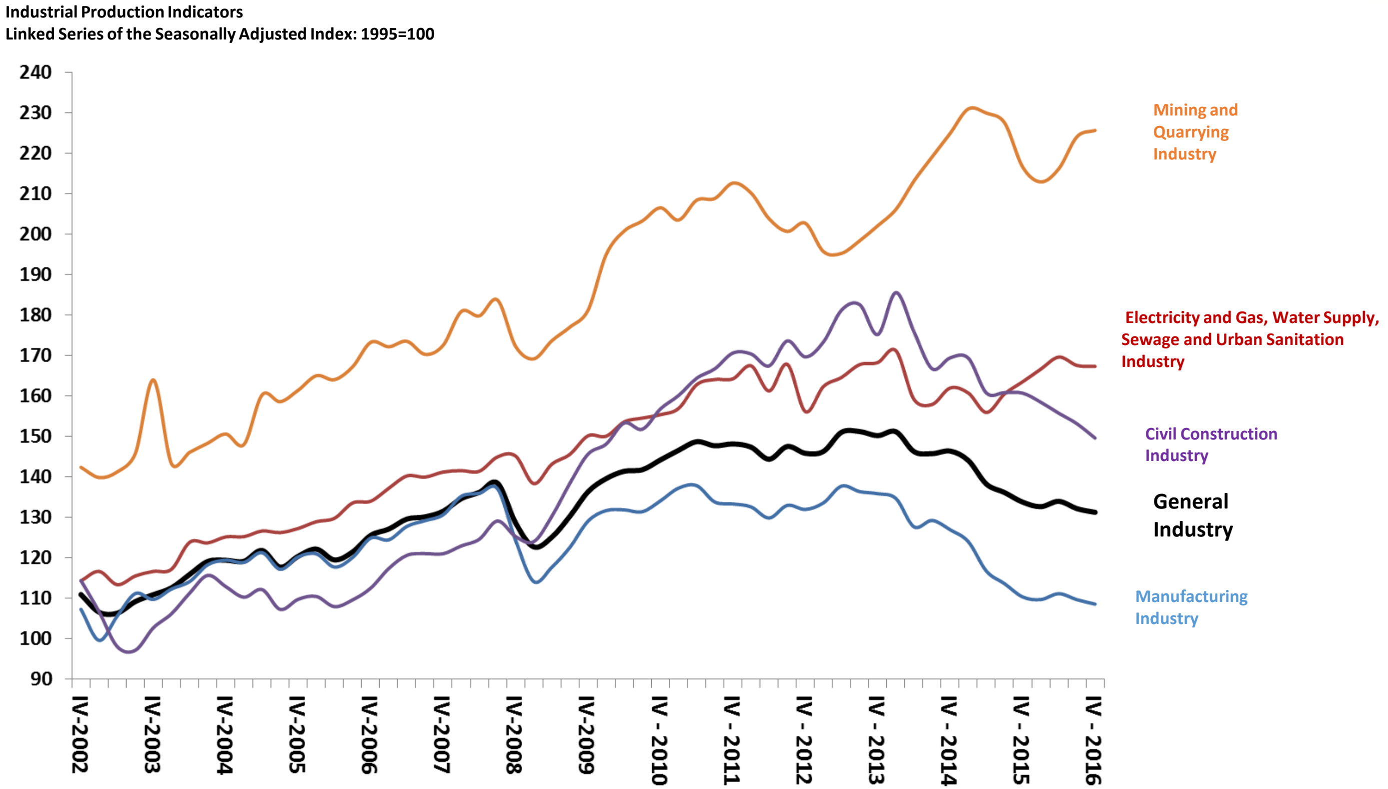
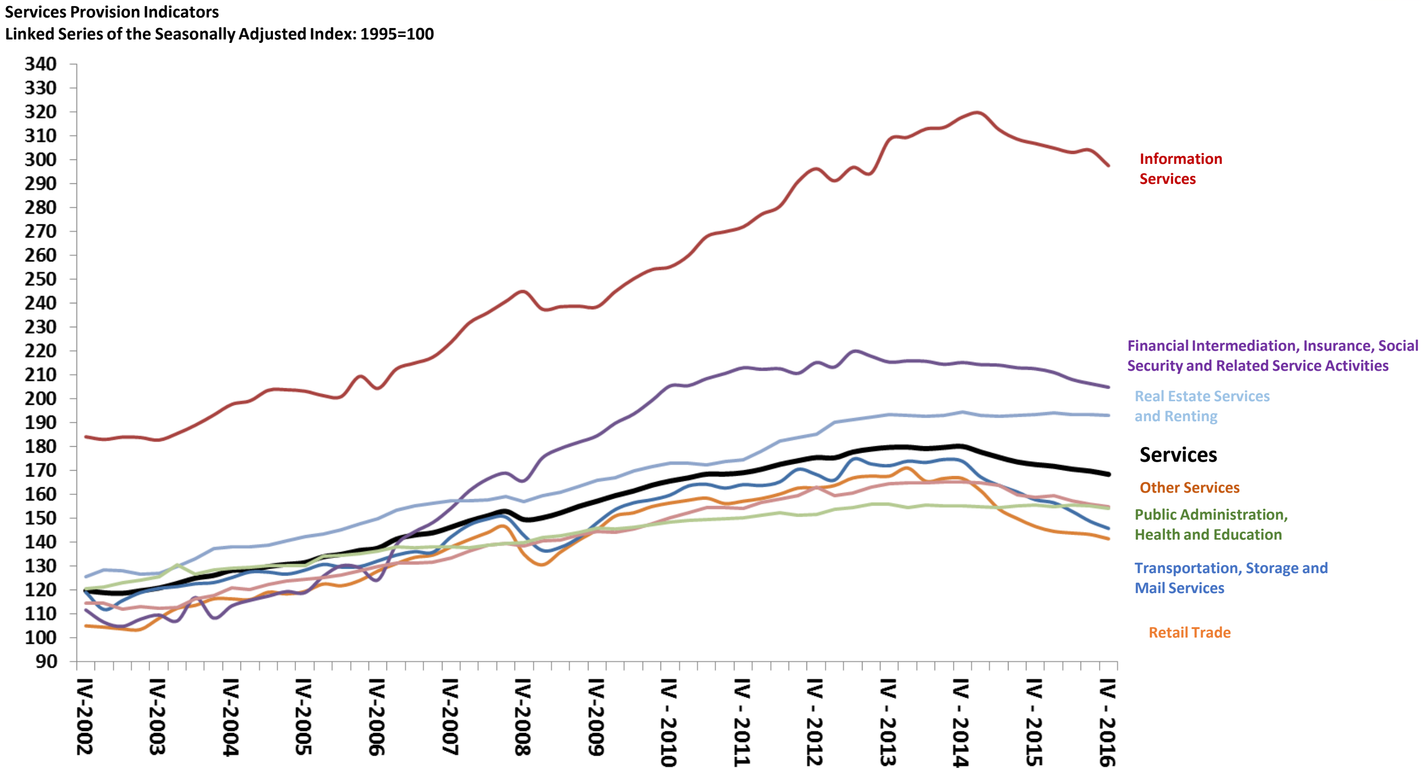
Industry Performance by Subsectors



Source: IBGE, Quarterly National Accounts Series.

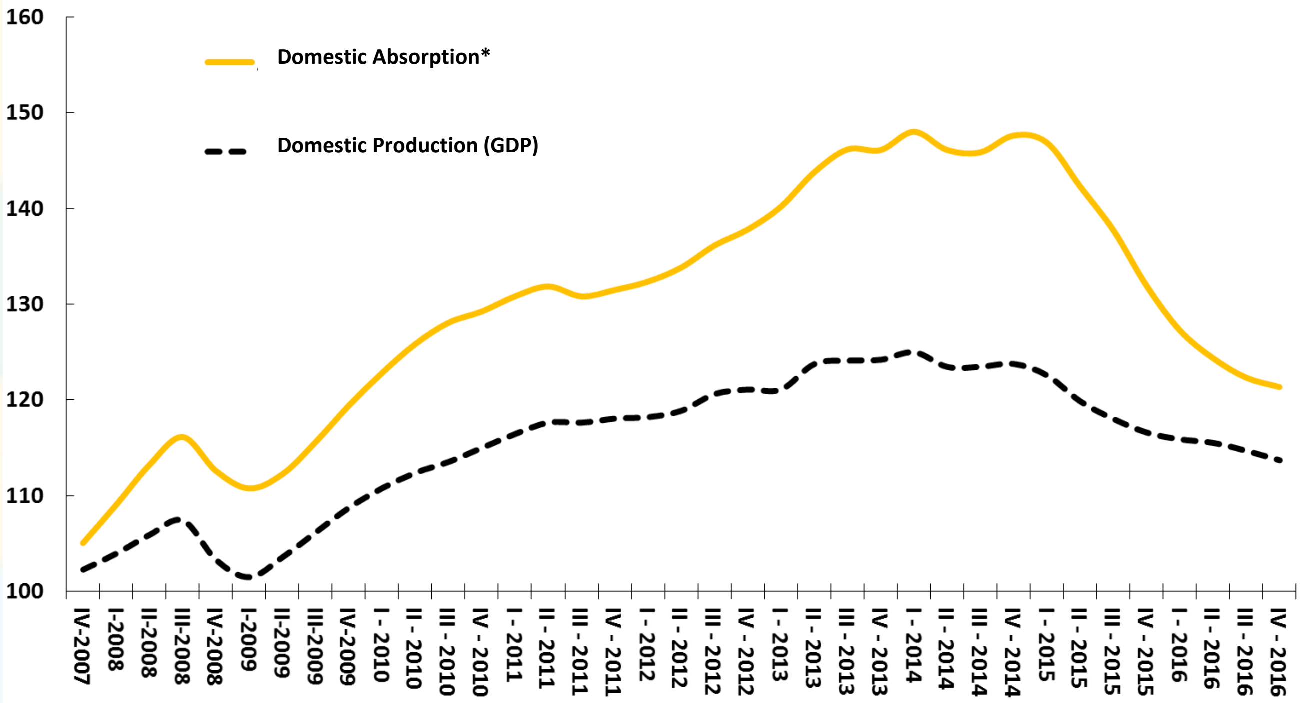
Services Performance by Subsectors



Source: IBGE, Quarterly National Accounts Series.

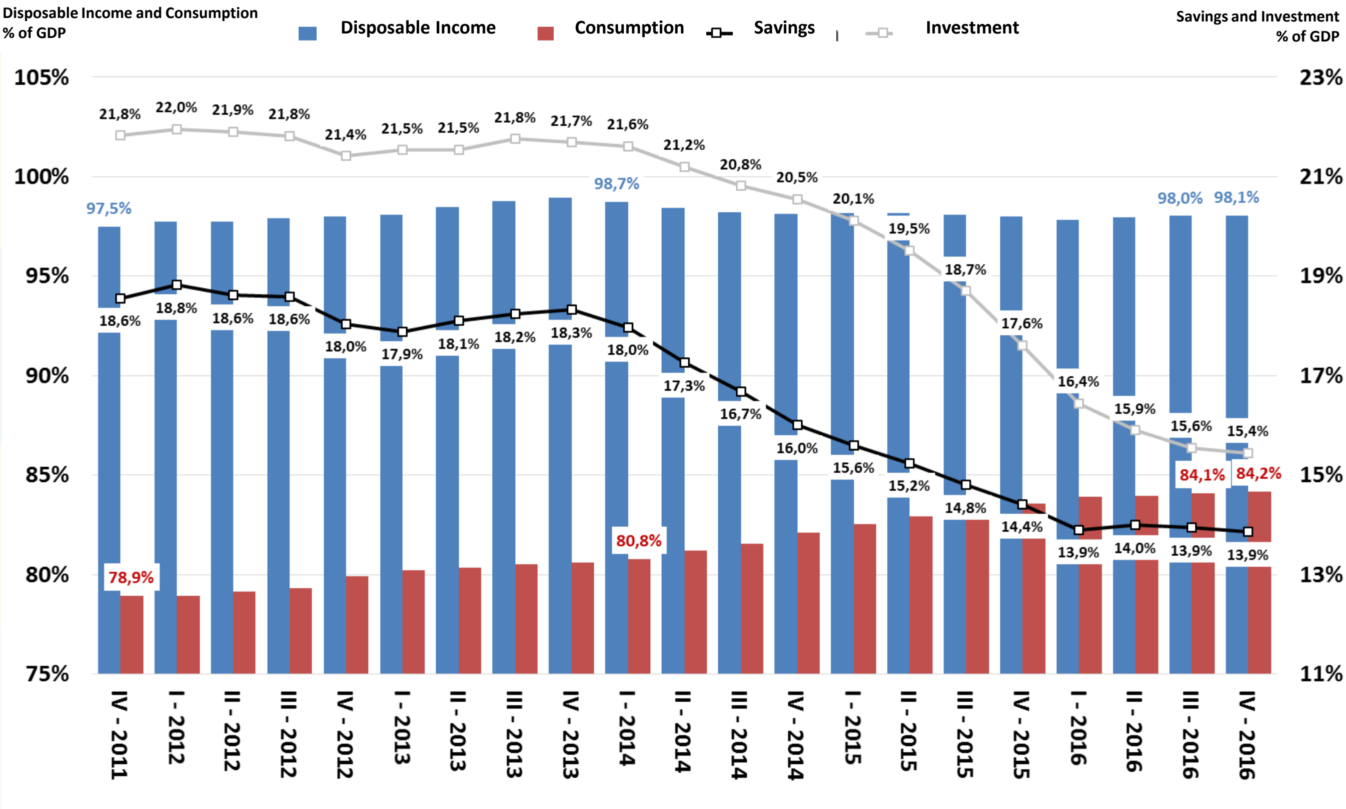
Domestic Production and Absorption

Domestic Volume and Absorption* Quarterly Volume Indicator
Linked Series of the Seasonally Adjusted Index: 2007=100



Source: IBGE, Quarterly National Accounts Series.   * Domestic Absorption = GDP – Exports of Goods and Services + Imports of Goods and Services.

Disposable Income, Consumption, Savings and Investment



Source: IBGE, Quarterly National Accounts Series.

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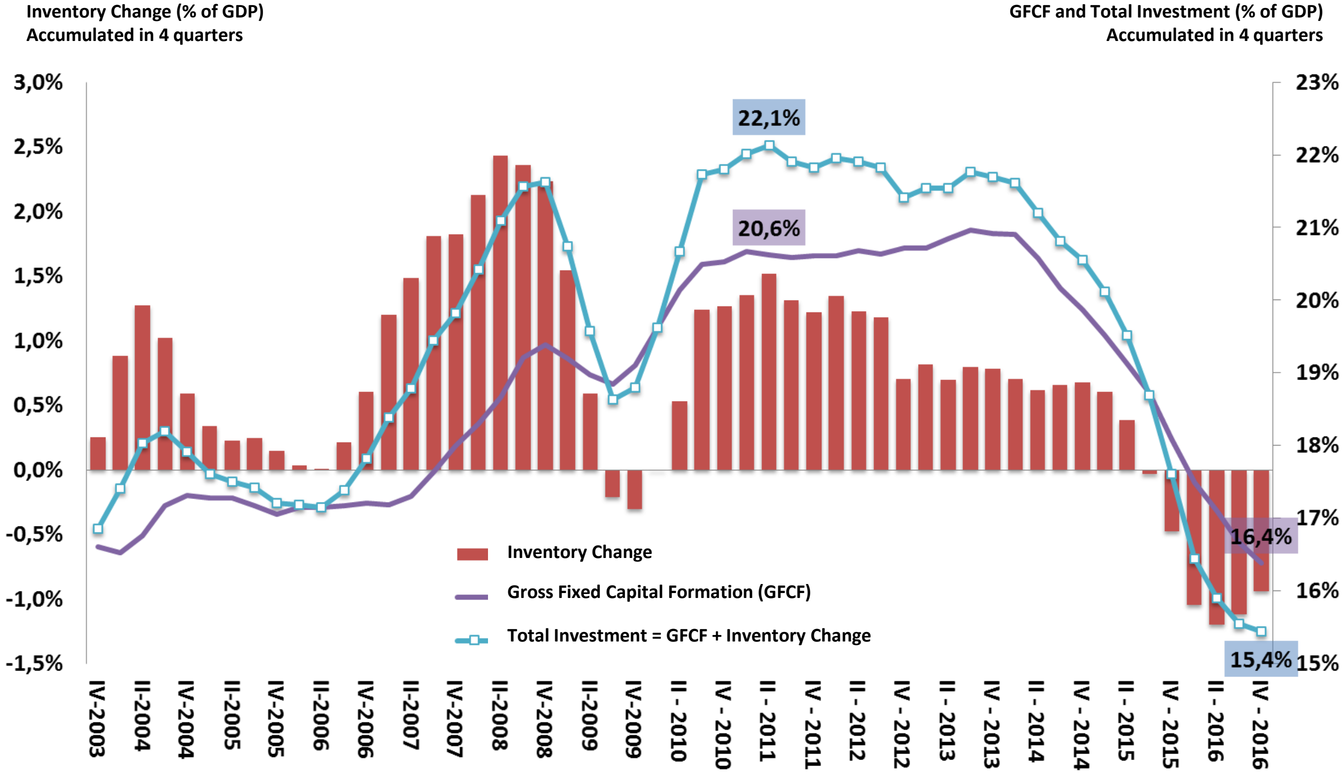
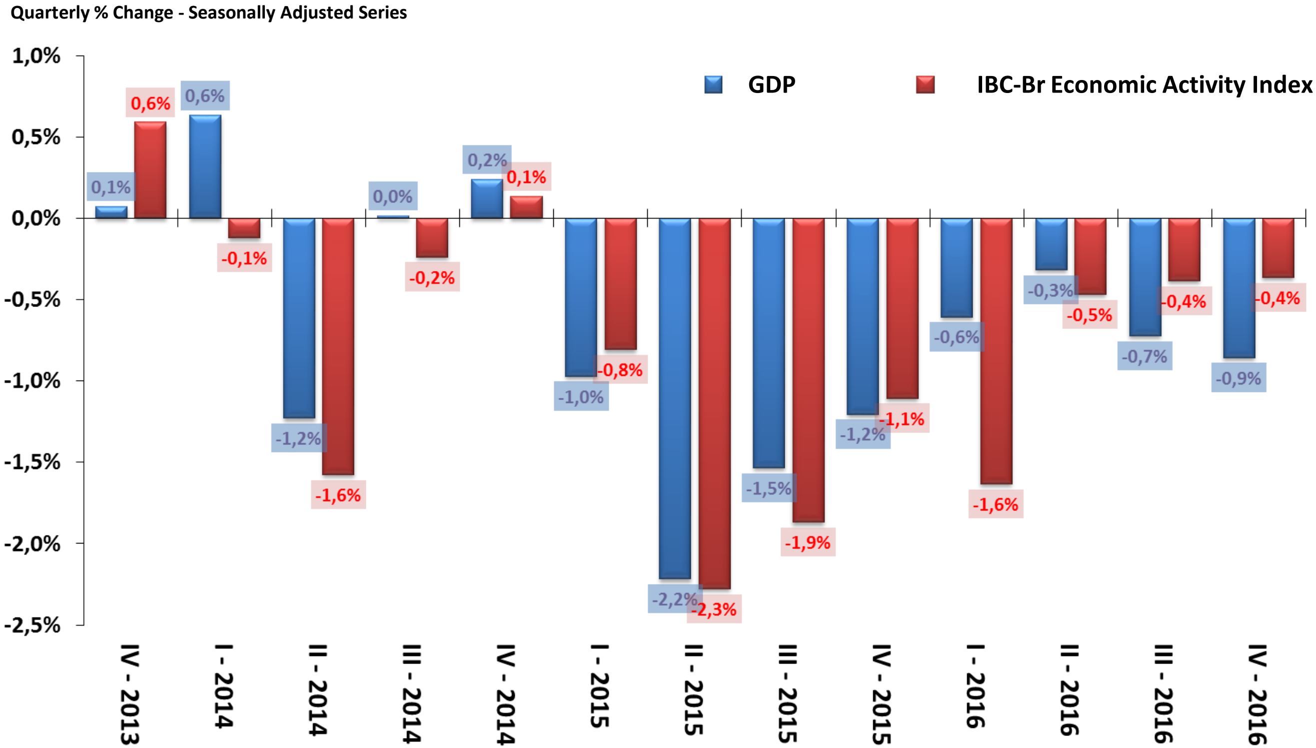
Inventory Change and Gross Fixed Capital Formation



Source: IBGE, Quarterly National Accounts Series.

Quarterly GDP Growth and IBC-Br Economic Activity Index

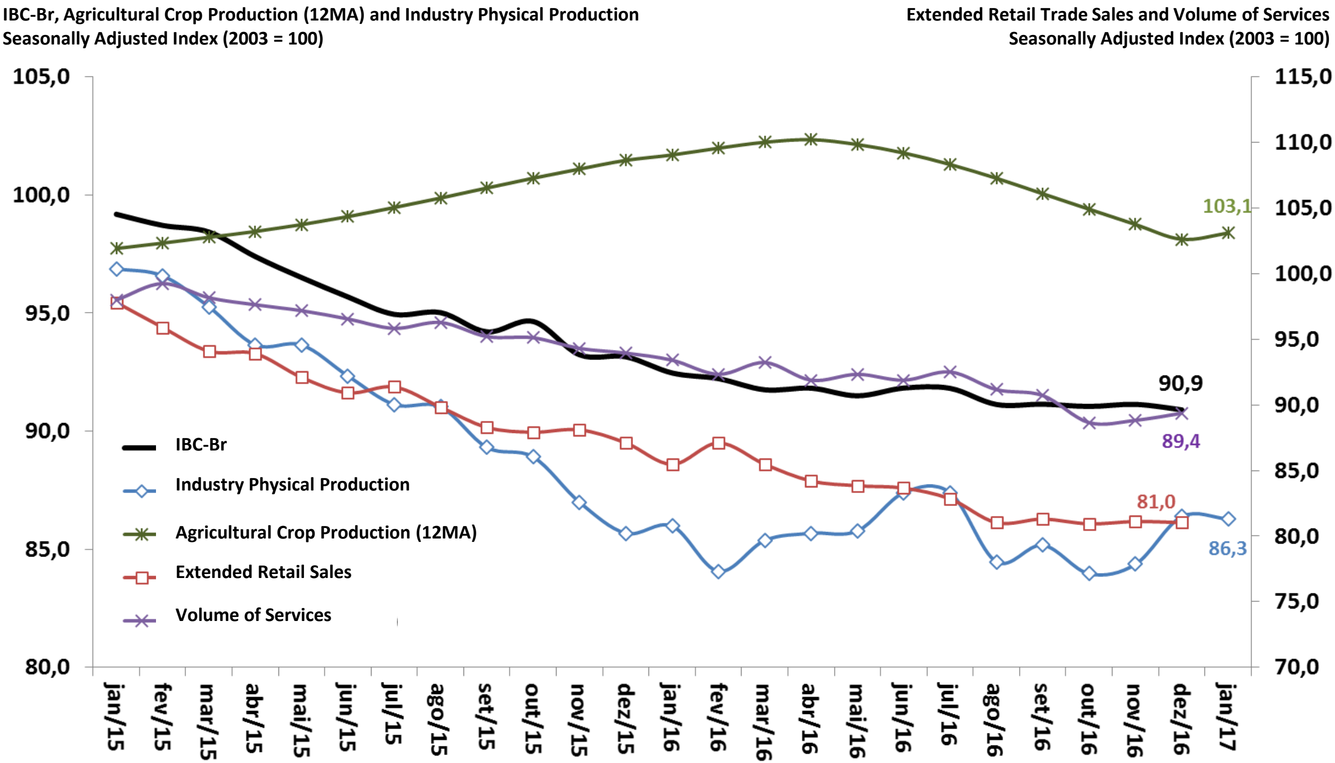


Sources: IBGE and Central Bank of Brazil.

Monthly Economic Activity

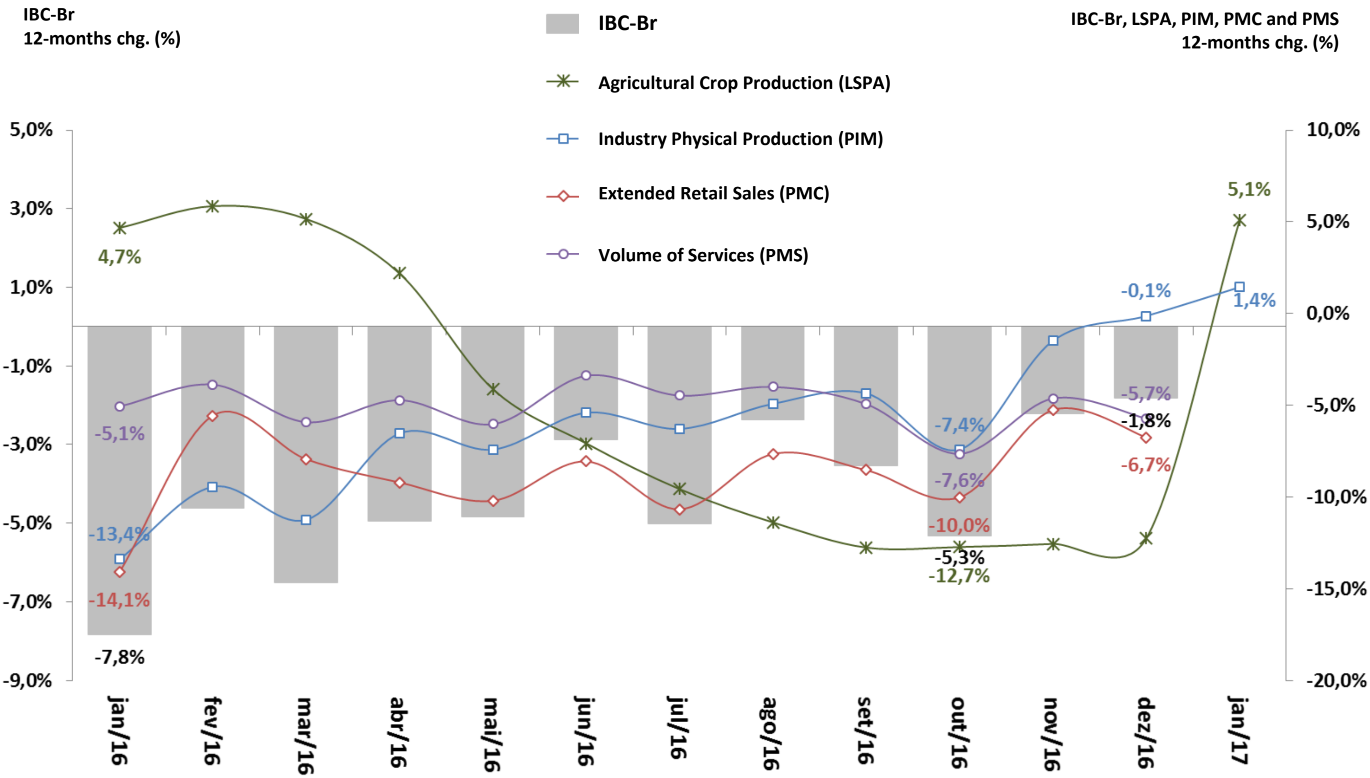
IBC-Br Economic Activity Index — December 2016 — % change	2015	2016	Nov/16 - Nov/15	Dec/16 - Dec/15	Nov/16 - Oct/16 (seasonally adjusted)	Dec/16 - Nov/16 (seasonally adjusted)	Year-To-Date	Nov/16 accum. in 12-months	Dec/16 accum. in 12-months	carry-over 2017
IBC-Br Economic Activity Index	**-4,3%**	**-4,3%**	**-2,2%**	**-1,8%**	**0,1%**	**-0,3%**	**-4,3%**	**-4,7%**	**-4,3%**	**-0,7%**
Systematic Survey of Agricultural Production (IBGE) — December 2016 — % change	**2015**	**2016**	**Nov/16 - Nov/15**	**Dec/16 - Dec/15**	**Nov/16 - Oct/16 (seasonally adjusted)**	**Dec/16 - Nov/16 (seasonally adjusted)**	**Year-To-Date**	**Nov/16 accum. in 12-months**	**Dec/16 accum. in 12-months**	**carry-over 2017**
Agricultural Crop Production	**7,8%**	**-12,3%**	**-12,6%**	**-12,3%**	**0,1%**	**0,1%**	**-12,3%**	**-12,6%**	**-12,3%**	**20,3%**
Industry Physical Production (IBGE) — January 2017 — % change	**2015**	**2016**	**Dec/16 - Dec/15**	**Jan/17 - Jan/16**	**Dec/16 - Nov/16 (seasonally adjusted)**	**Jan/17 - Dec/16 (seasonally adjusted)**	**Year-To-Date**	**Dec/16 accum. in 12-months**	**Jan/17 accum. in 12-months**	**carry-over 2017**
General Industry	**-8,2%**	**-6,6%**	**-0,1%**	**1,4%**	**2,4%**	**-0,1%**	**1,4%**	**-6,6%**	**-5,4%**	**0,9%**
Mining and Quarrying Industry (weight 11,2%)	3,9%	-9,5%	6,9%	12,5%	1,7%	1,1%	12,5%	-9,5%	-7,3%	6,4%
Manufacturing Industry (weight 88,8%)	-9,8%	-6,2%	-1,3%	-0,3%	2,1%	-0,5%	-0,3%	-6,2%	-5,2%	-0,4%
Food (weight 13,9%)	-1,8%	0,8%	-3,1%	1,6%	1,0%	1,2%	1,6%	0,8%	1,2%	-0,8%
Petroleum refinement and alcohol production (weight 10,3%)	-5,9%	-8,5%	-13,9%	-11,0%	-1,9%	4,0%	-11,0%	-8,5%	-9,4%	-3,2%
Motor vehicles (weight 10,1%)	-25,9%	-11,4%	18,8%	5,3%	11,2%	-10,7%	5,3%	-11,4%	-8,6%	2,3%
Capital Goods	-25,3%	-11,1%	16,7%	3,3%	-3,8%	-4,1%	3,3%	-11,1%	-7,9%	-6,7%
Intermediate Goods	-5,2%	-6,4%	-0,8%	0,8%	1,4%	0,7%	0,8%	-6,4%	-5,5%	1,0%
Consumer Durable Goods	-18,5%	-14,7%	4,8%	3,2%	7,4%	-7,3%	3,2%	-14,7%	-12,3%	1,8%
Consumer Semi and Non-Durable Goods	-6,7%	-3,6%	-3,4%	2,1%	4,2%	3,1%	2,1%	-3,6%	-3,0%	3,0%
Civil Construction Typical Inputs	-12,5%	-11,9%	-6,5%	-4,0%	-0,3%	2,2%	-4,0%	-11,9%	-10,7%	-5,9%
Retail Trade Sales (IBGE) — December 2016 — % change	**2015**	**2016**	**Nov/16 - Nov/15**	**Dec/16 - Dec/15**	**Nov/16 - Oct/16 (seasonally adjusted)**	**Dec/16 - Nov/16 (seasonally adjusted)**	**Year-To-Date**	**Nov/16 accum. in 12-months**	**Dec/16 accum. in 12-months**	**carry-over 2017**
Retail Trade Sales	**-4,3%**	**-6,2%**	**-3,8%**	**-4,9%**	**1,0%**	**-2,0%**	**-6,2%**	**-6,5%**	**-6,2%**	**-2,9%**
Extended Retail Trade Sales	**-8,6%**	**-8,7%**	**-5,3%**	**-6,7%**	**0,2%**	**-0,1%**	**-8,7%**	**-9,1%**	**-8,7%**	**-2,6%**
Vehicles, Motorcycles, Parts and Accessories	-17,8%	-14,0%	-9,3%	-13,5%	-1,3%	1,8%	-14,0%	-14,7%	-14,0%	-3,7%
Construction Material	-8,4%	-10,7%	-4,3%	-1,6%	7,7%	2,1%	-10,7%	-11,5%	-10,7%	1,8%
Fuel and Lubricants	-6,1%	-9,2%	-7,9%	-5,5%	-0,2%	2,1%	-9,2%	-9,6%	-9,2%	-1,3%
Hypermarkets, Supermarkets, Food, Beverage and Tobacco	-2,5%	-3,1%	-1,6%	-2,9%	1,0%	-3,0%	-3,1%	-3,2%	-3,1%	-3,3%
Textiles, Apparel and Footwear	-8,6%	-10,9%	-9,8%	-8,8%	-1,5%	0,1%	-10,9%	-11,0%	-10,9%	-3,9%
Furniture and Household Appliances	-14,1%	-12,6%	-7,9%	-8,9%	2,0%	-2,5%	-12,6%	-13,7%	-12,6%	-4,0%
Volume of Services (IBGE) — December 2016 — % change	**2015**	**2016**	**Nov/16 - Nov/15**	**Dec/16 - Dec/15**	**Nov/16 - Oct/16 (seasonally adjusted)**	**Dec/16 - Nov/16 (seasonally adjusted)**	**Year-To-Date**	**Nov/16 accum. in 12-months**	**Dec/16 accum. in 12-months**	**carry-over 2017**
Volume of Services	**-3,6%**	**-5,0%**	**-4,6%**	**-5,7%**	**0,2%**	**0,6%**	**-5,0%**	**-5,0%**	**-5,0%**	**-2,2%**
Services Rendered to Families	-5,3%	-4,3%	-5,6%	-1,5%	0,1%	2,0%	-4,3%	-4,9%	-4,3%	0,0%
Information and Communication Services	0,0%	-3,2%	-3,0%	-6,5%	-0,6%	-1,7%	-3,2%	-2,6%	-3,2%	-4,3%
Professional, Administrative and Complementary Services	-4,3%	-5,5%	-3,5%	-4,8%	0,6%	-1,3%	-5,5%	-5,9%	-5,5%	-2,1%
Transportation, Support Activities for Transportation and Mailing Activities	-6,1%	-7,6%	-7,8%	-7,2%	2,3%	0,4%	-7,6%	-7,6%	-7,6%	-0,7%
Other Services	-9,0%	-2,8%	-0,2%	0,7%	3,3%	-1,2%	-2,8%	-3,8%	-2,8%	-1,0%

Major Monthly Economic Activity Indicators



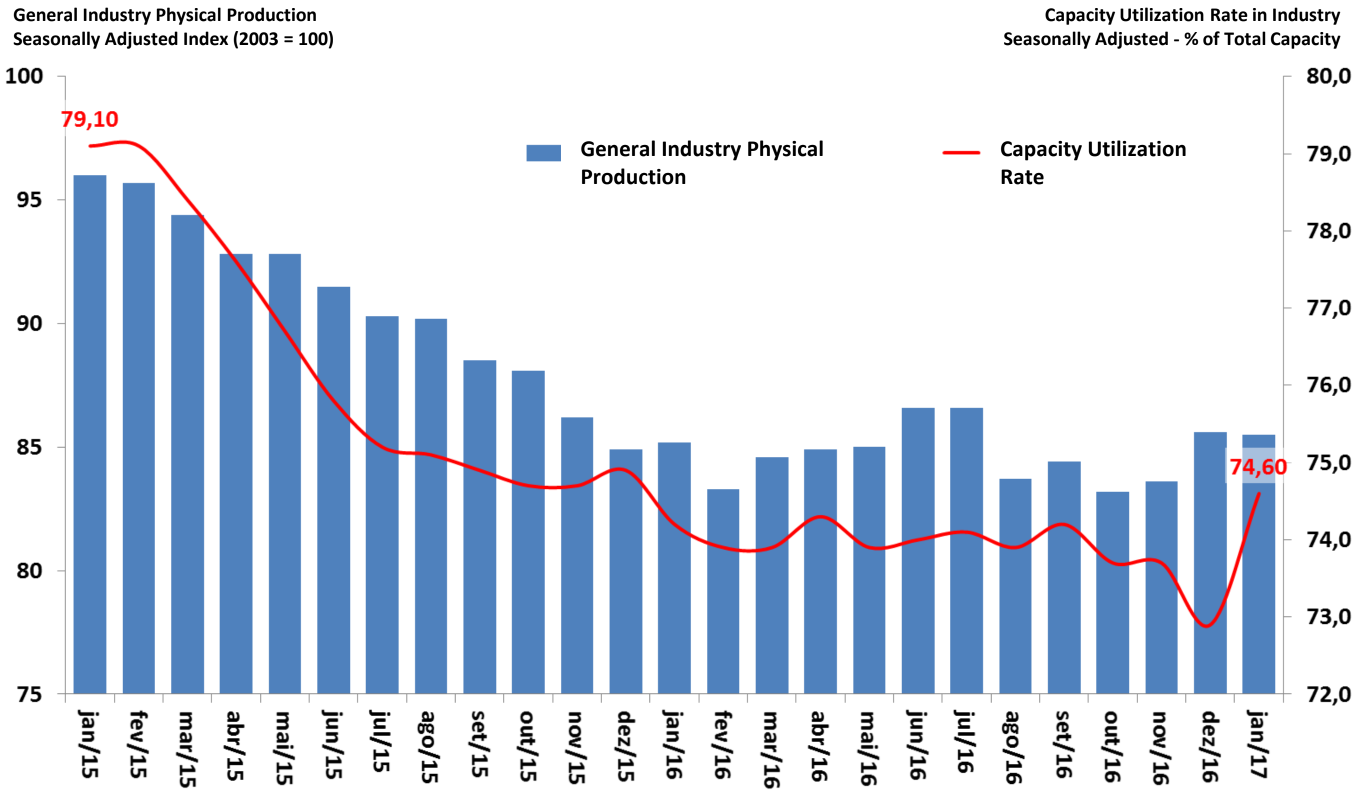
Sources: Central Bank of Brazil and IBGE: Systematic Survey of Agricultural Production (LSPA), Monthly Survey of Industry (PIM), Monthly Survey of Trade (PMC), and Monthly Survey of Services (PMS).

Major Monthly Economic Activity Indicators



Sources: Central Bank of Brazil and IBGE: Systematic Survey of Agricultural Production (LSPA), Monthly Survey of Industry (PIM), Monthly Survey of Trade (PMC), and Monthly Survey of Services (PMS).

Industry: Physical Production and Capacity Utilization Rate



Sources: IBGE and FGV.

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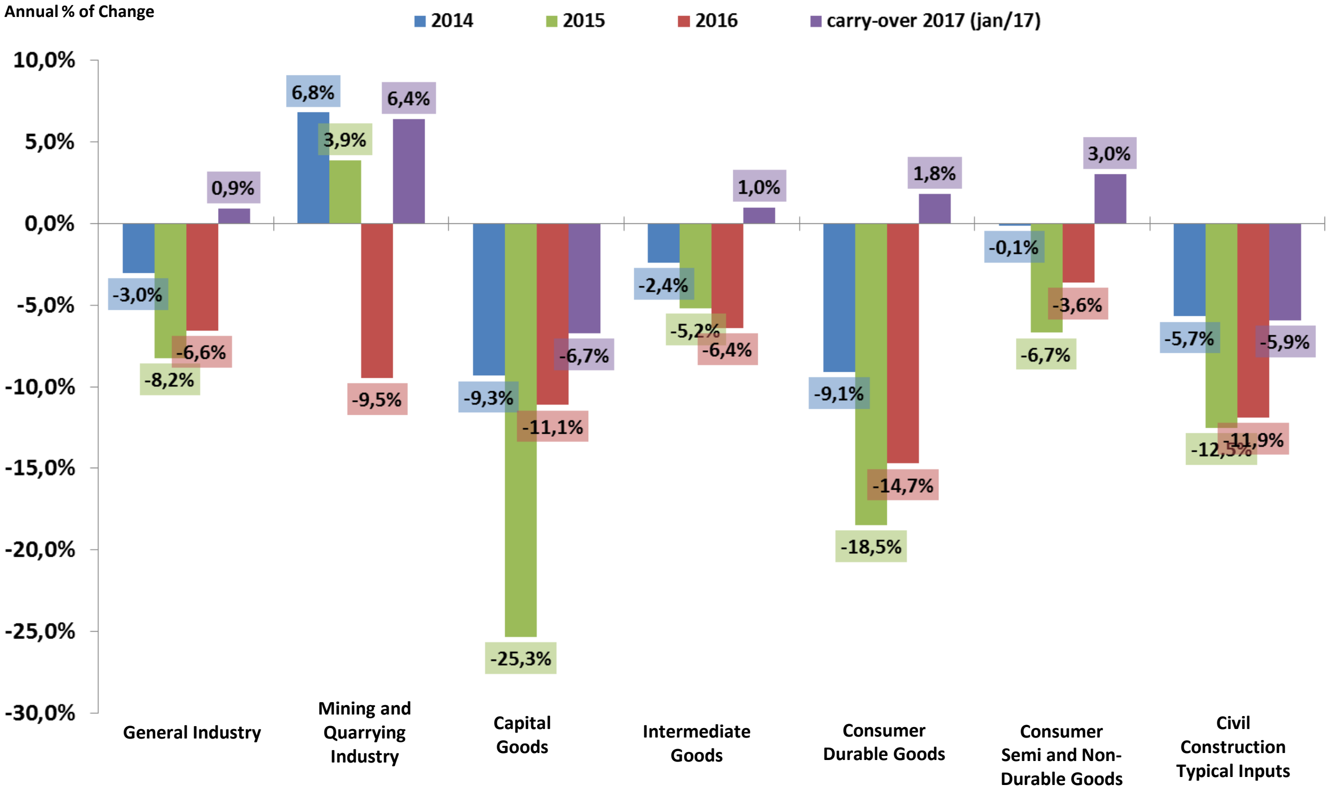
Total Industrial Production and Economic Categories



Source: IBGE, Monthly Survey of Industry (PIM). *Carry-over 2017 = Dec 2016 s.a. level / 2016 average level.

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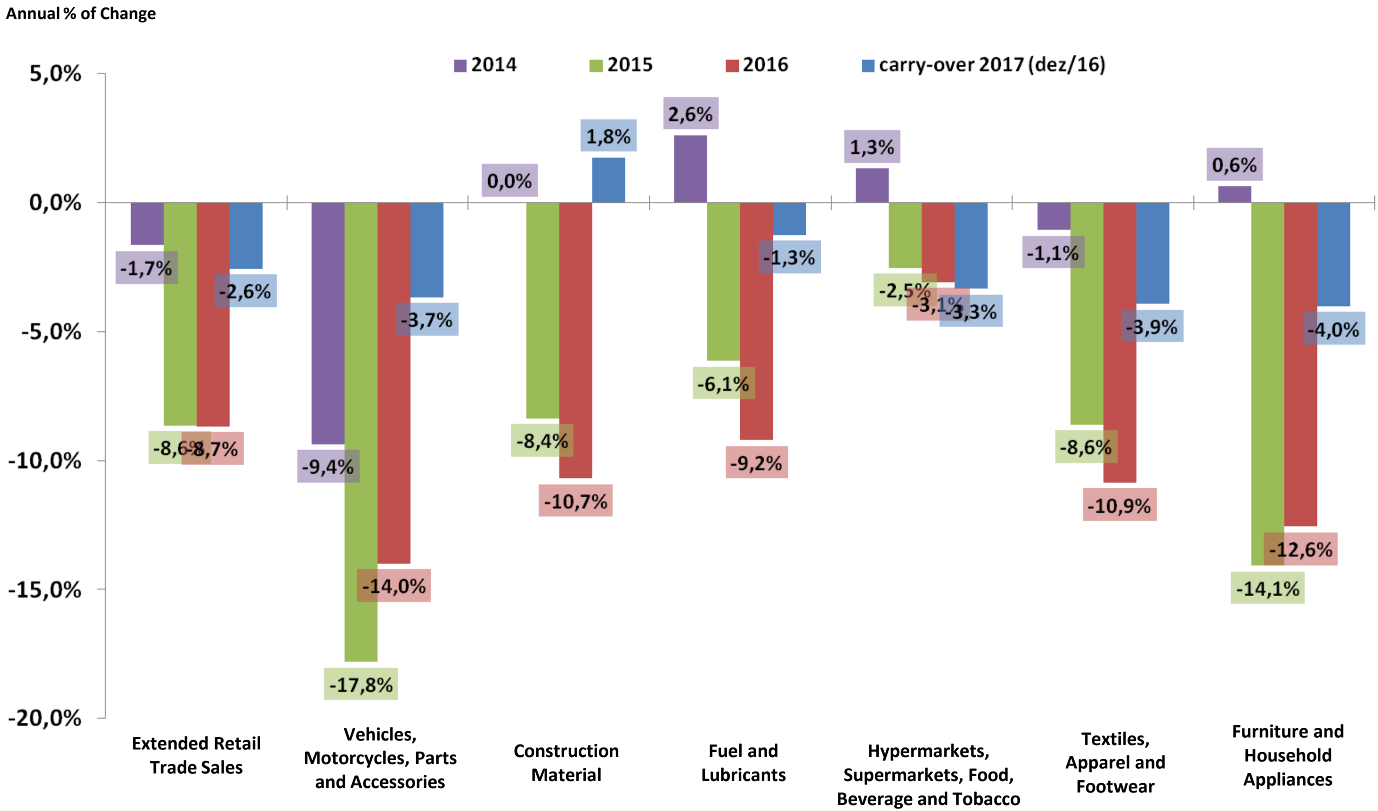
Total Industrial Production and Economic Categories

Source: IBGE, Monthly Survey of Industry (PIM).

Total Retail Sales and Subsectors



Source: IBGE, Monthly Survey of Trade (PMC).

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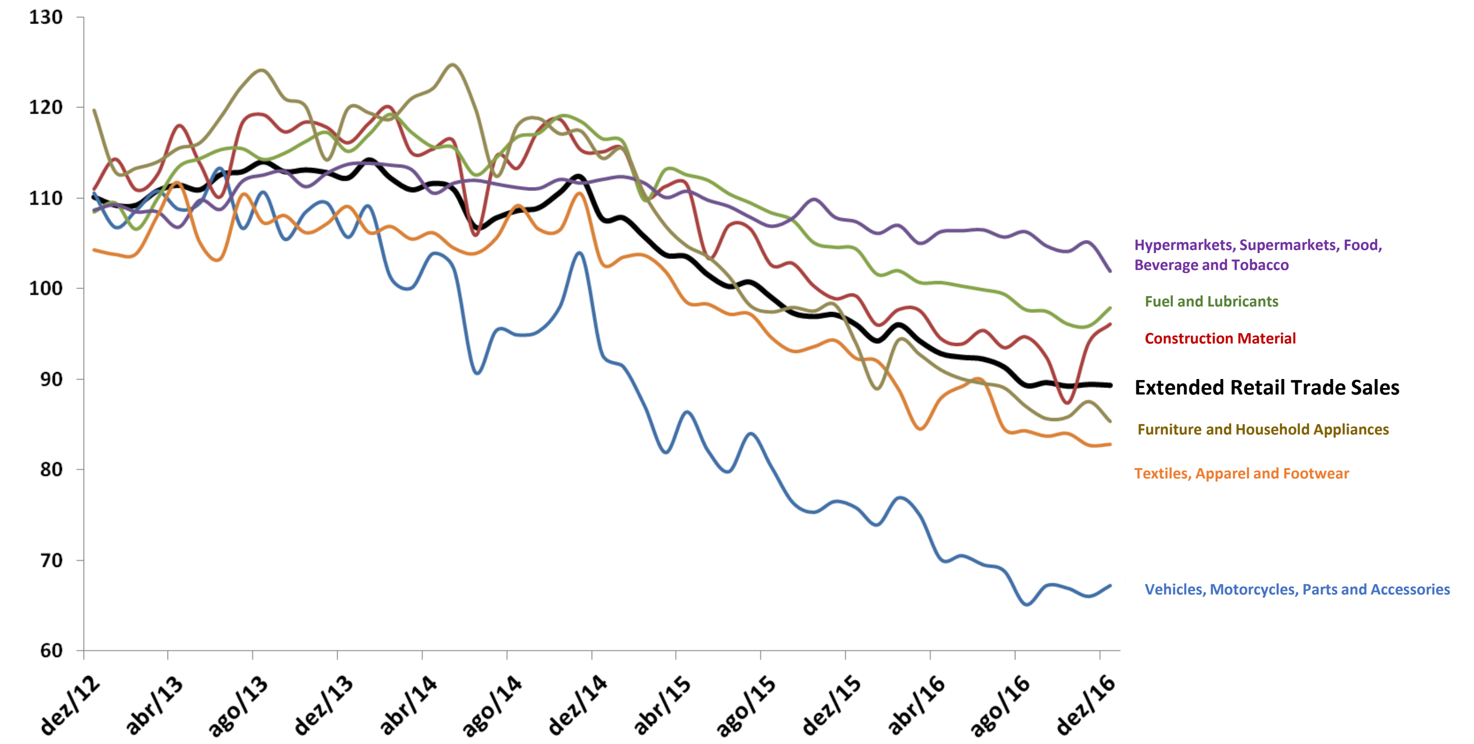
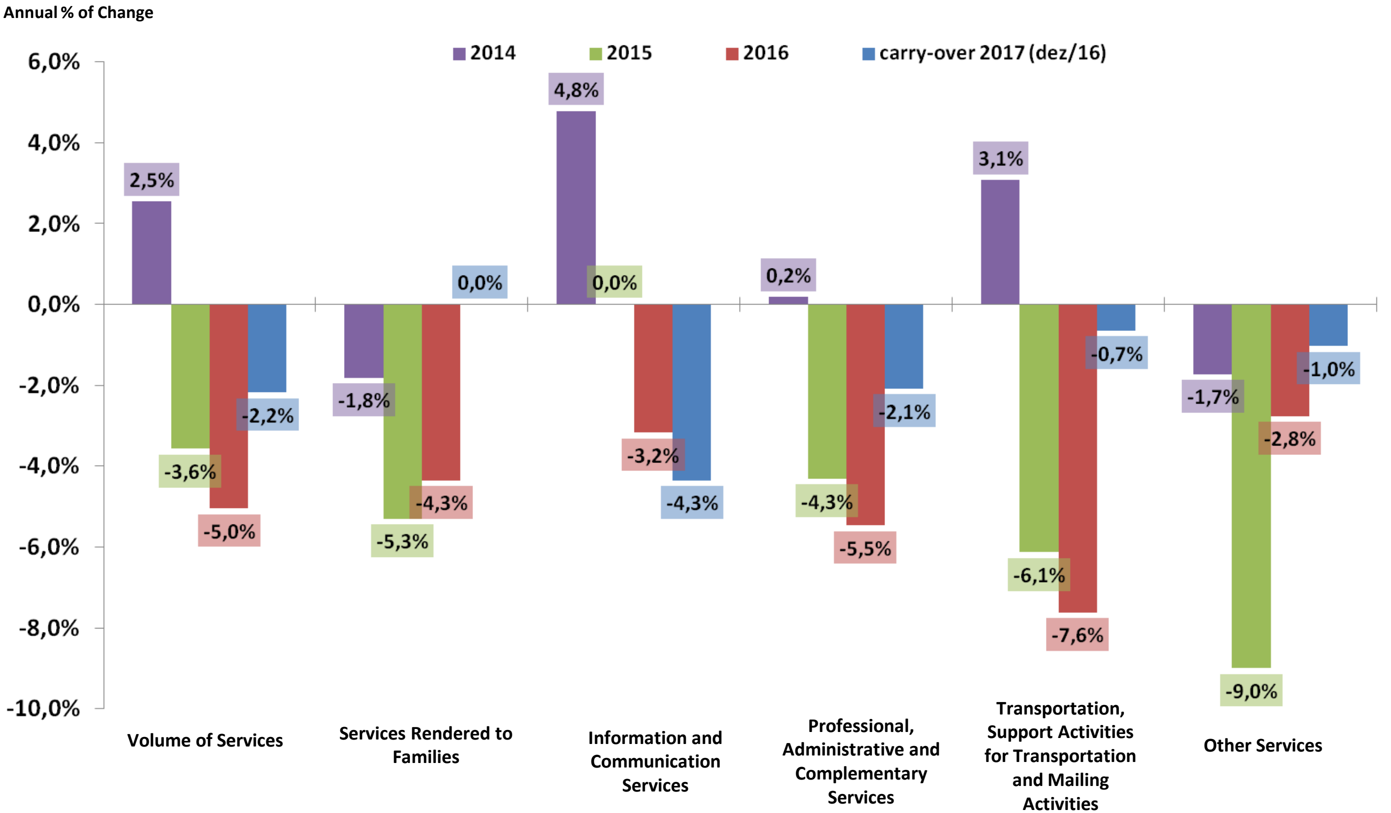
Total Retail Sales and Subsectors

Retail Sales by Subsector
Seasonally Adjusted Index (2002 = 100)



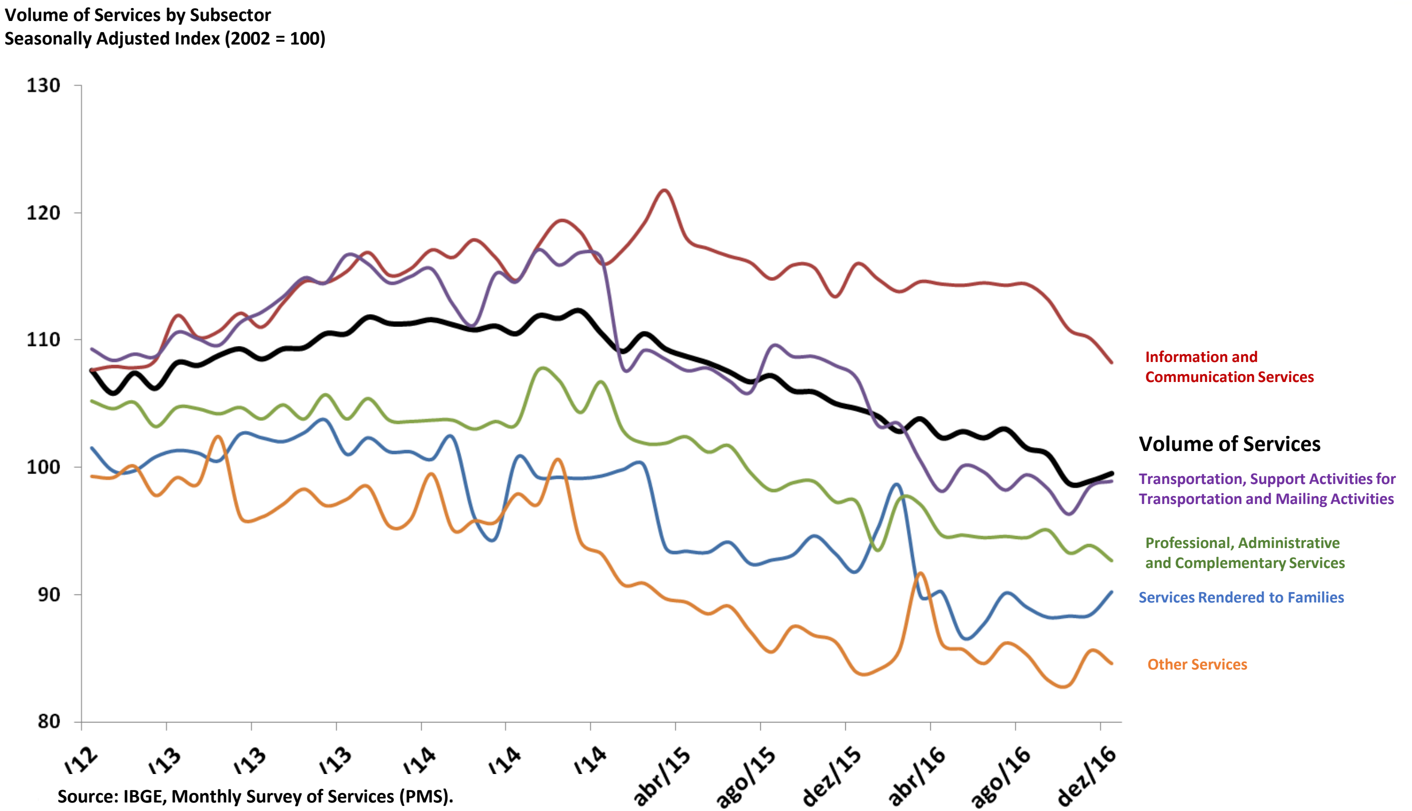
Source: IBGE, Monthly Survey of Trade (PMC).

Volume of Services and Subsectors



Source: IBGE, Monthly Survey of Services (PMS).

Total Retail Sales and Subsectors



Source: IBGE, Monthly Survey of Services (PMS).

Fonte: IBGE, Pesquisa Mensal de Serviços (PMS).

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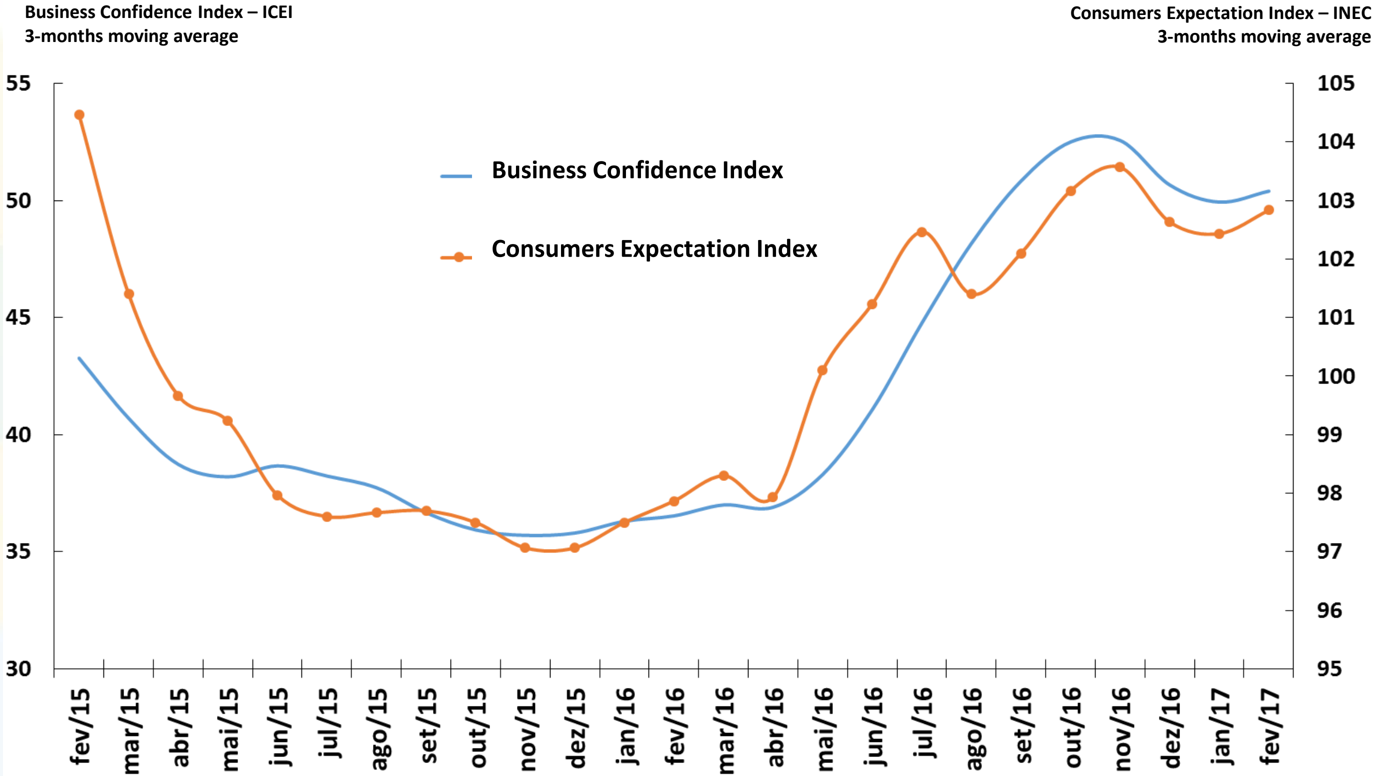
Other Monthly Economic Activity Indicators

January 2017 %change		2016	Dec/16 - Dec/15	Jan/17 - Jan/16	Dec/16 - Nov/16 (seasonally adjusted)	Jan/17 - Dec/16 (seasonally adjusted)	Year-To-Date	Dec/16 accum. in 12-months	Jan/17 accum. in 12-months	carry-over 2017
Industry Indicators (CNI)										
Real Sales Revenue		-8,9%	-6,5%	-6,9%	-1,0%	0,7%	-11,9%	-12,2%	-11,6%	-12,2%
Working Hours in Production		-10,1%	-0,9%	-2,2%	0,5%	-0,9%	-7,3%	-7,6%	-6,8%	-7,6%
Capacity Utilization Rate - UCI	**month level: 75,4**	-2,9%	-0,9%	-0,3%	0,7%	0,7%	-2,3%	-2,4%	-2,0%	-2,4%
Industry Inventories (CNI) - Final Goods - planned x realized	**month level: 49,9**	-4,1%	-2,4%	-0,8%	0,4%	1,4%	-0,8%	-4,1%	-4,2%	1,2%
Supermarket Sector Total Retail Sales (ABRAS)		-1,9%	2,2%	0,1%	-1,2%	0,8%	1,5%	1,6%	1,9%	1,7%
Natural Gas and Oil Production (ANP)		7,8%	8,4%	15,0%	0,7%	2,1%	4,3%	3,4%	5,1%	3,1%
Electric Energy Consumption - Total (EPE)		-2,2%	0,5%	2,8%	0,9%	1,0%	-0,6%	-0,9%	-0,1%	-0,8%
Industry Consumption (EPE)		-5,7%	0,9%	4,4%	0,3%	1,8%	-2,2%	-2,7%	-1,7%	-2,8%
Corrugated Fiberboard Sales (ABPO)		-2,3%	-2,7%	5,3%	1,6%	2,2%	5,3%	-2,3%	-1,3%	3,0%
Heavy Vehicles Road Traffic (ABCR)		-6,0%	-3,5%	-2,3%	4,8%	-2,3%	-2,3%	-6,0%	-5,4%	-0,9%

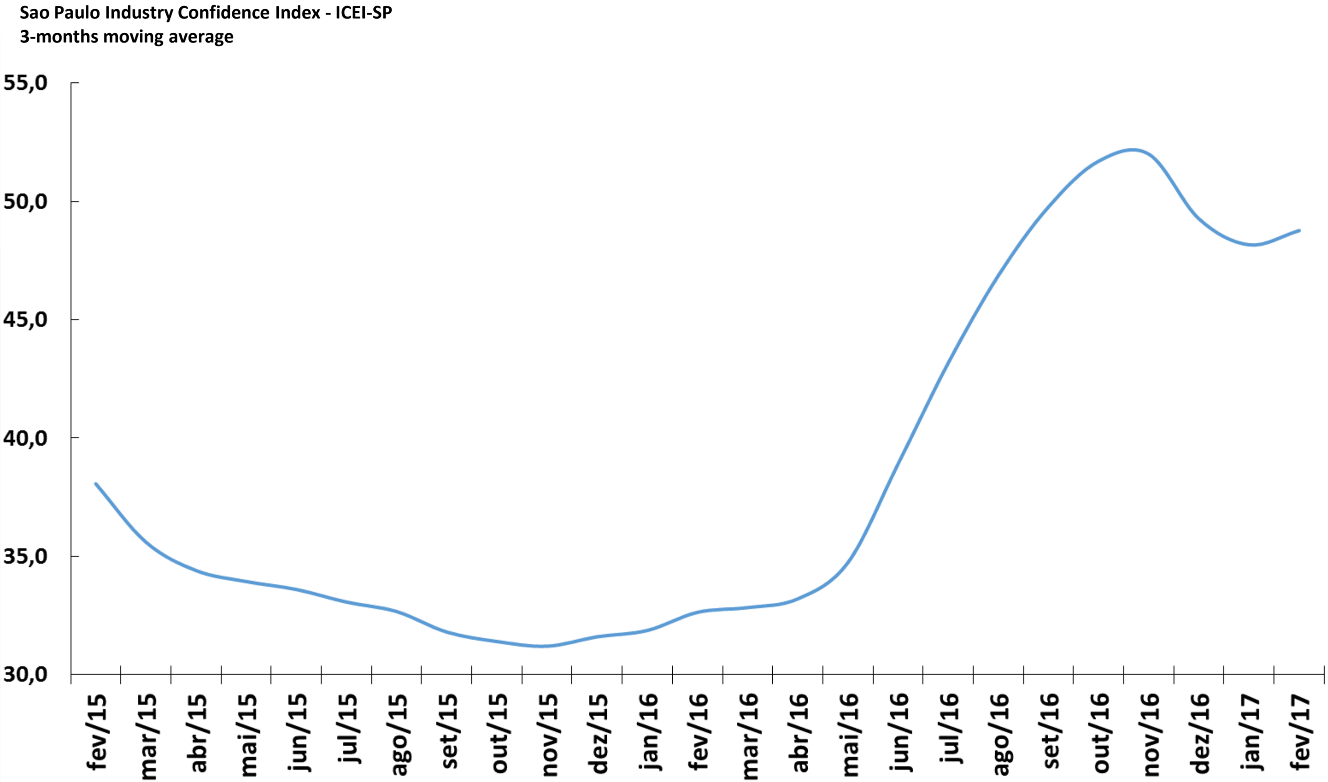
February 2017 %change		2016	Jan/17 - Jan/16	Feb/17 - Feb/16	Jan/17 - Dec/16 (seasonally adjusted)	Feb/17 - Jan/17 (seasonally adjusted)	Year-To-Date	Jan/17 accum. in 12-months	Feb/17 accum. in 12-months	carry-over 2017
Business Confidence Index - ICEI (CNI)	**month level: 53,1**	18,3%	37,3%	43,1%	6,0%	6,5%	40,2%	23,4%	27,9%	19,2%
Consumer Expectations Index - INEC (CNI)	**month level: 104,4**	2,6%	5,3%	5,8%	1,5%	1,3%	5,5%	3,5%	4,1%	2,2%
Consumer Confidence Index (FGV)	**month level: 82,4**	2,8%	17,0%	17,0%	8,5%	3,2%	17,0%	5,8%	8,1%	11,9%
Industry Confidence Index (FGV)	**month level: 86,9**	5,7%	14,1%	18,1%	5,1%	-1,3%	16,0%	7,9%	10,8%	7,0%
Services Confidence Index (FGV)	**month level: 82,5**	1,1%	14,4%	16,5%	5,4%	0,6%	15,4%	3,9%	6,9%	9,8%
Retail Trade Confidence Index (FGV)	**month level: 83,4**	4,6%	13,4%	17,5%	0,8%	4,6%	15,5%	7,4%	9,7%	10,7%
Civil Construction Confidence Index (FGV)	**month level: 75,3**	-5,8%	10,4%	9,0%	3,5%	-0,1%	9,7%	-3,1%	-1,0%	5,9%
Sao Paulo Industry Confidence Index - ICEI-SP (FIESP)	**month level: 52,9**	28,8%	51,3%	53,3%	8,0%	7,1%	52,3%	34,8%	39,8%	23,9%
Total Vehicles Production (ANFAVEA)		-11,7%	6,8%	46,3%	-7,6%	22,9%	26,3%	-9,5%	-3,5%	30,4%
Car Production		-12,2%	6,4%	50,4%	-7,0%	25,0%	27,5%	-10,4%	-4,5%	35,9%
Commercial Vehicles Production		-19,0%	-2,0%	5,2%	-5,3%	6,6%	2,0%	-14,6%	-10,6%	14,4%
Total Vehicles Exports (ANFAVEA)		23,7%	44,7%	91,8%	-10,5%	49,3%	73,2%	23,8%	30,8%	71,1%
Total Vehicles Sales/Licensing (FENABRAVE)		-20,5%	-13,8%	-2,7%	-2,8%	21,9%	-8,4%	-18,6%	-17,0%	4,1%
Domestic Vehicles Sales/Licensing		-17,6%	-8,5%	2,6%	7,1%	13,6%	-3,1%	-15,4%	-13,6%	11,9%
Imported Vehicles Sales/Licensing		-35,7%	-41,5%	-33,3%	18,4%	37,7%	-37,7%	-35,4%	-35,4%	-4,9%
Industry Capacity Utilization Rate - NUCI (FGV)	**month level: 73,7**	-3,3%	1,1%	0,3%	2,3%	-0,4%	0,7%	-2,6%	-2,1%	0,6%
Electric Energy System Supply (ONS)		0,4%	6,1%	2,6%	5,0%	-2,1%	4,3%	1,6%	1,7%	2,7%

CNI: Business Confidence and Consumers Expectation Indexes



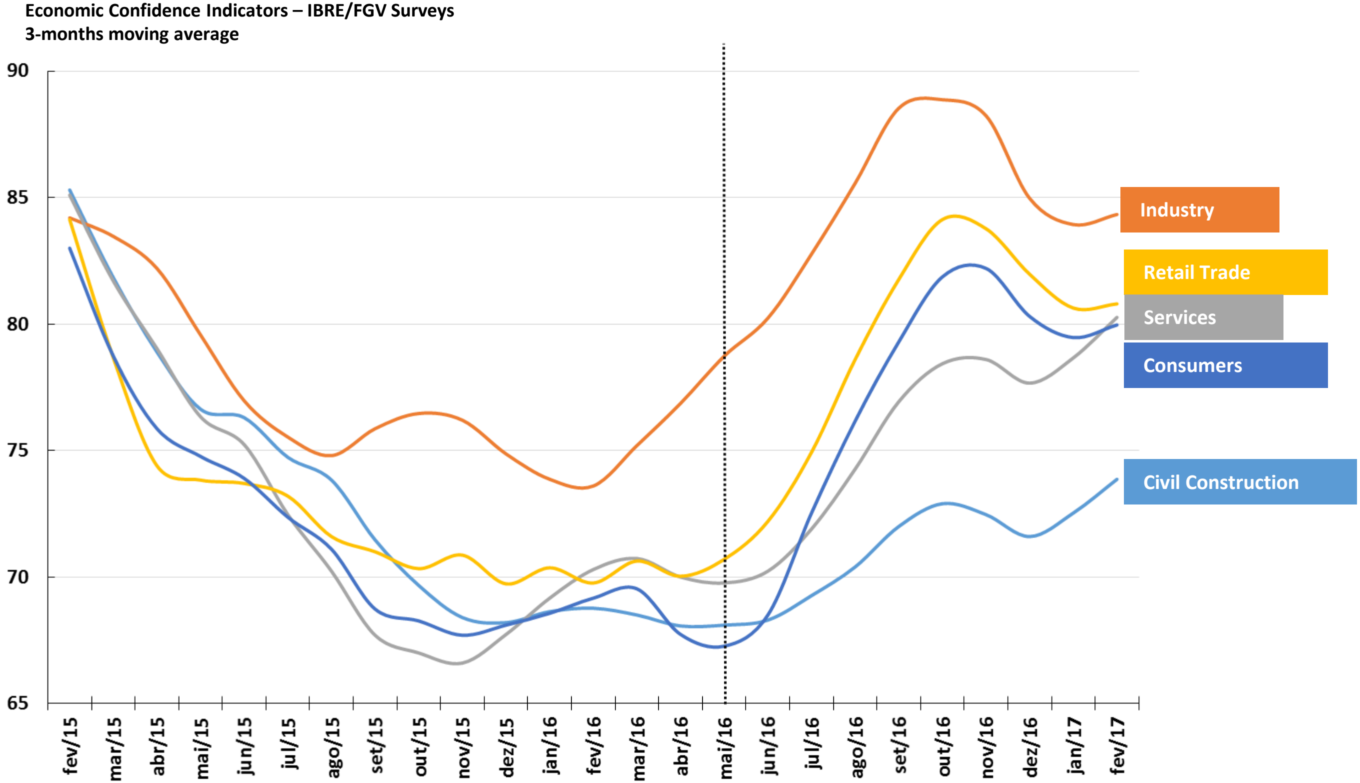
Source: CNI.

FIESP: Industry Confidence Index



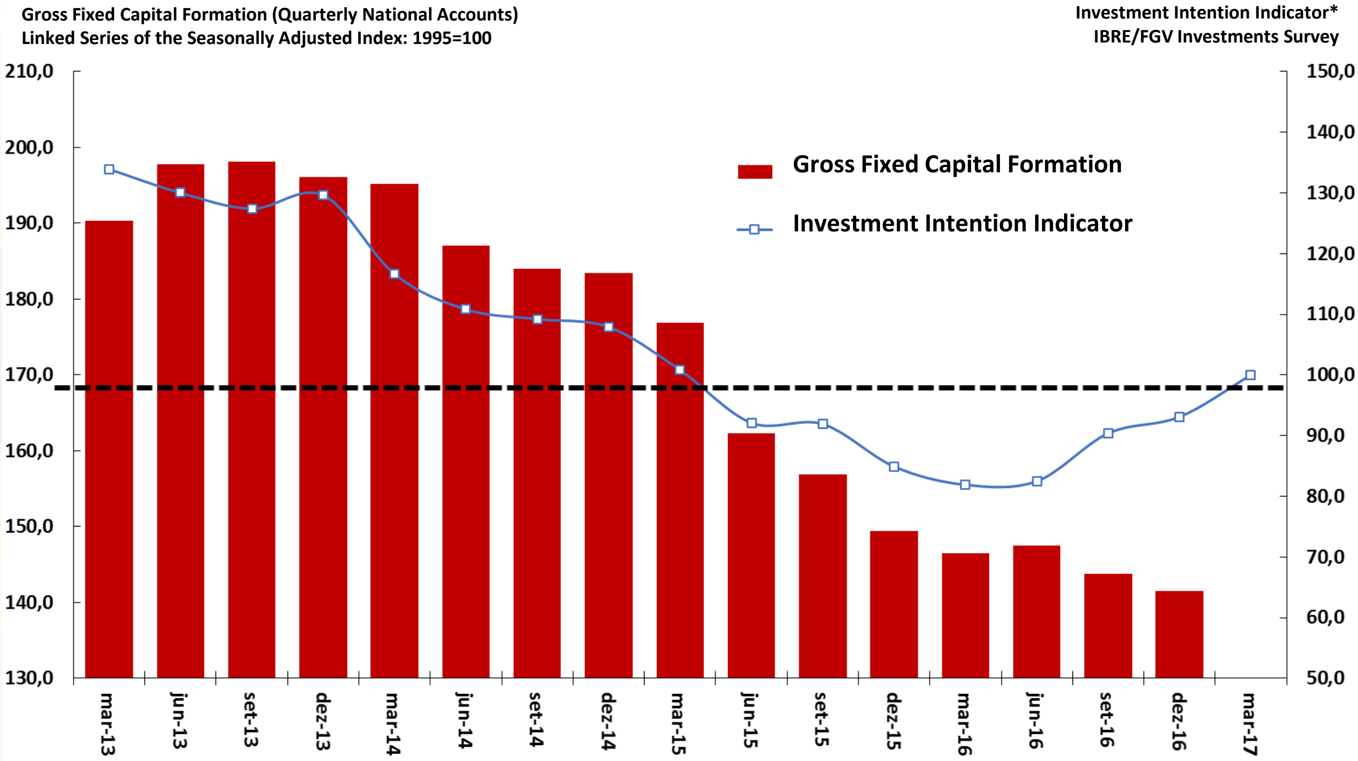
Source: FIESP.

FGV: Economic Confidence Indicators



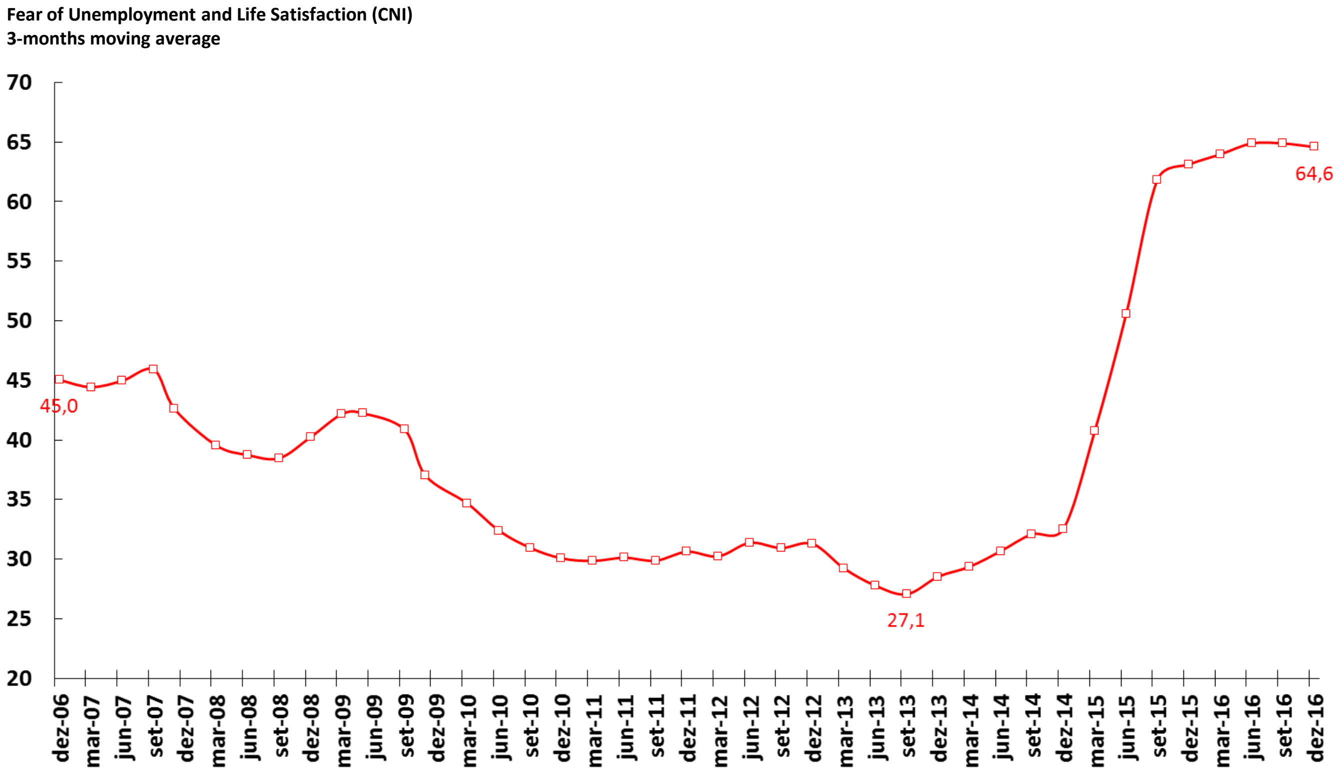
Source: IBRE/FGV.

Gross Fixed Capital Formation and Investment Intention



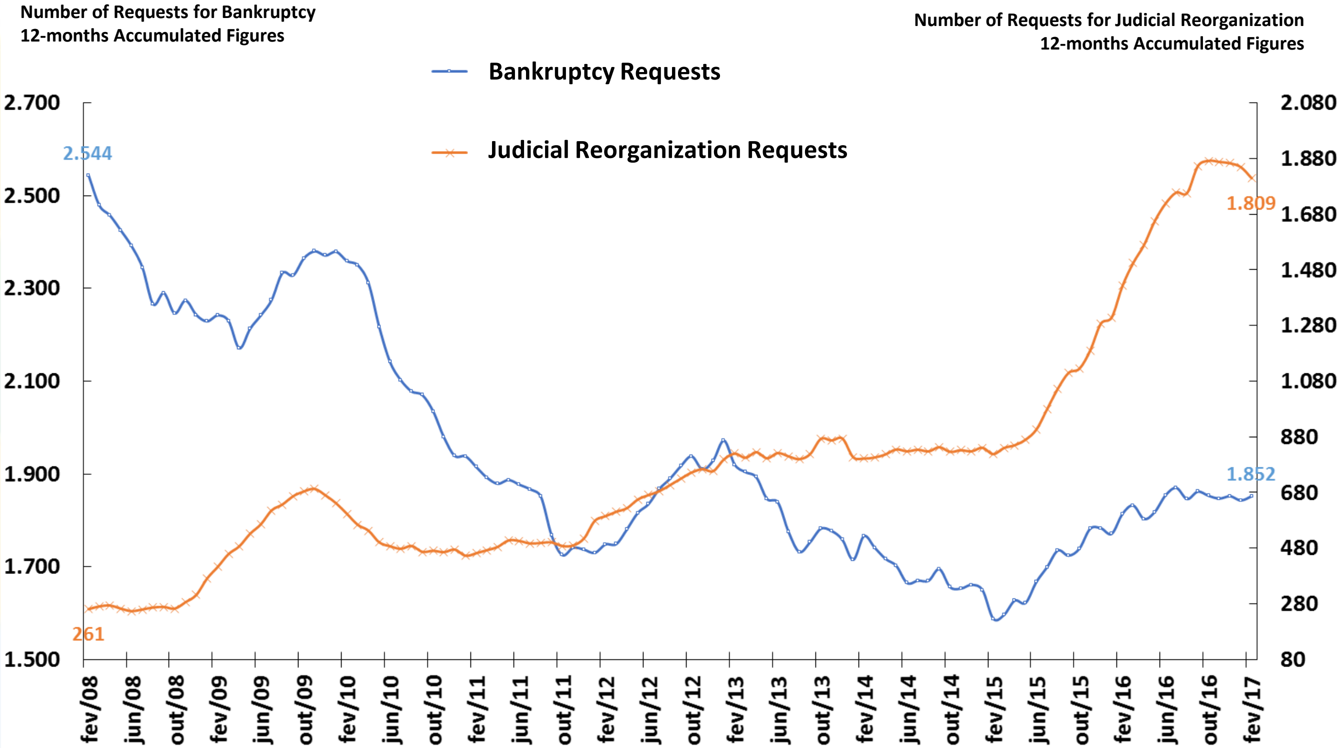
Source: IBRE/FGV.
*Note: Measures de difference between positive and negative answers, plus 100.

CNI: Fear of Unemployment Index



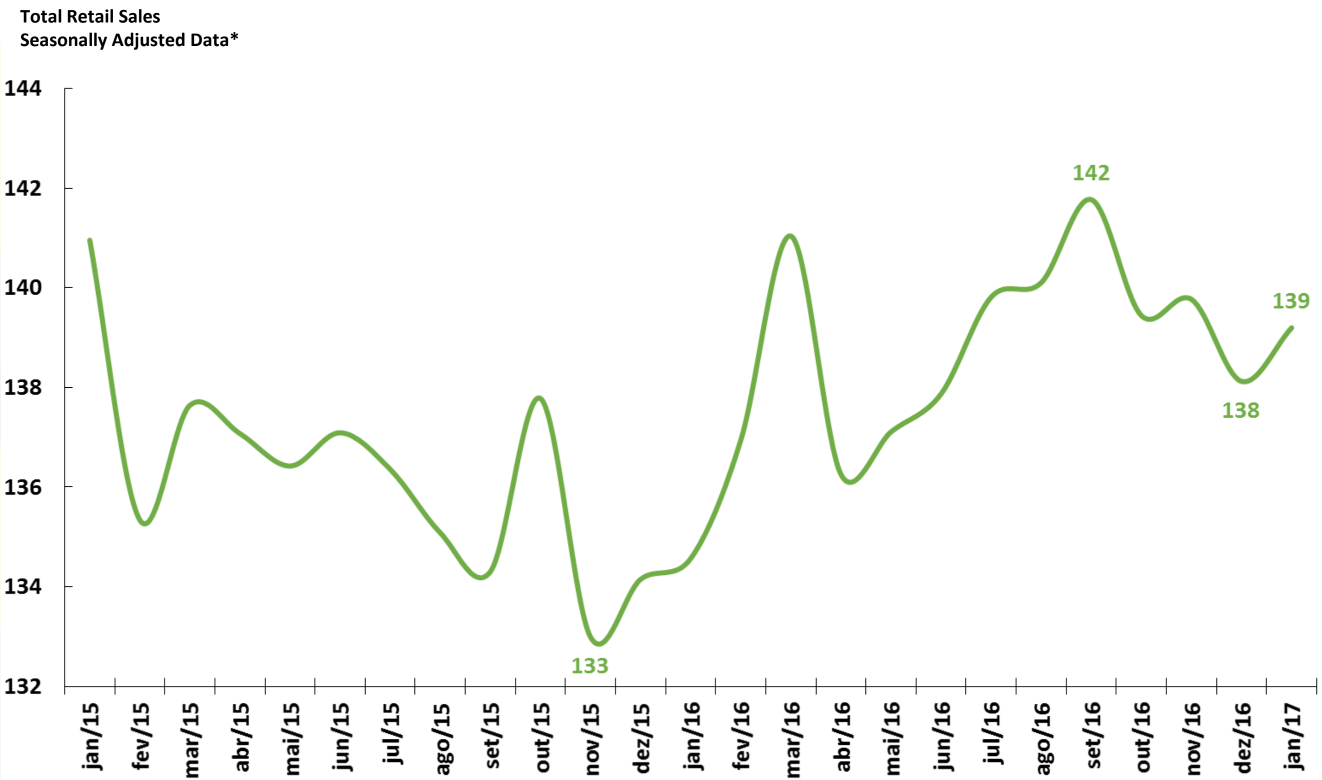
Source: CNI.

Bankruptcy and Judicial Reorganization Requests



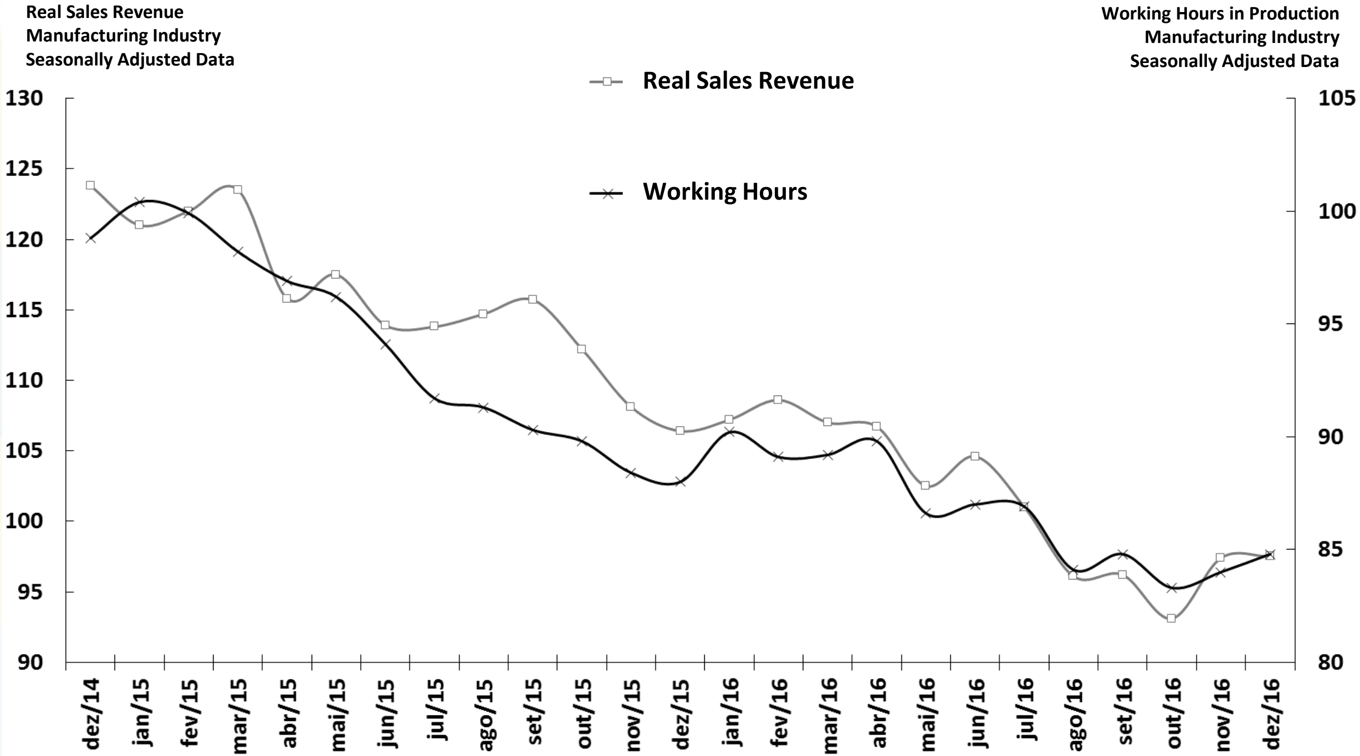
Source: Serasa-Experian.

ABRAS: Supermarket Sector Total Retail Sales



Source: ABRAS. * Seasonally adjusted by SEPLAN/MP using X-13Arima-Seats/X12-Arima.

CNI: Industry Real Sales Revenues and Working Hours



Source: CNI.

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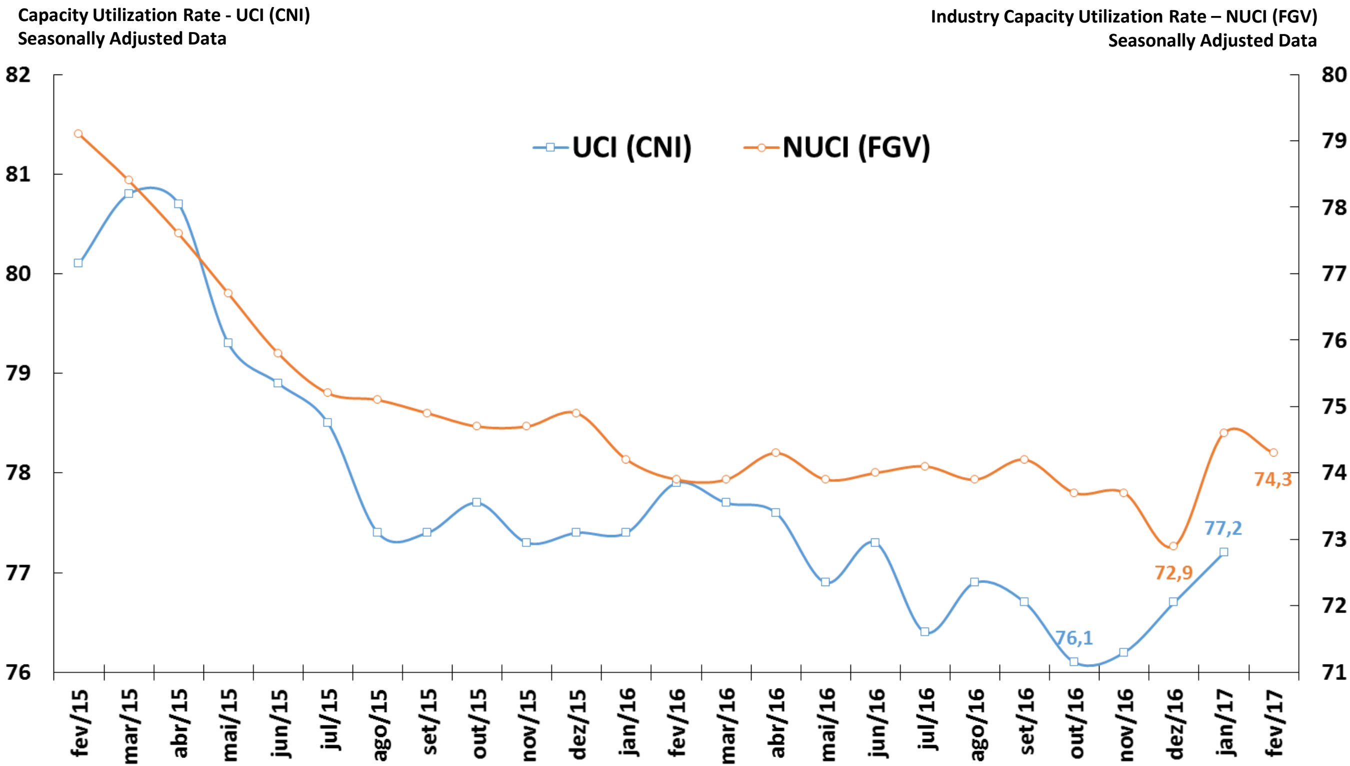
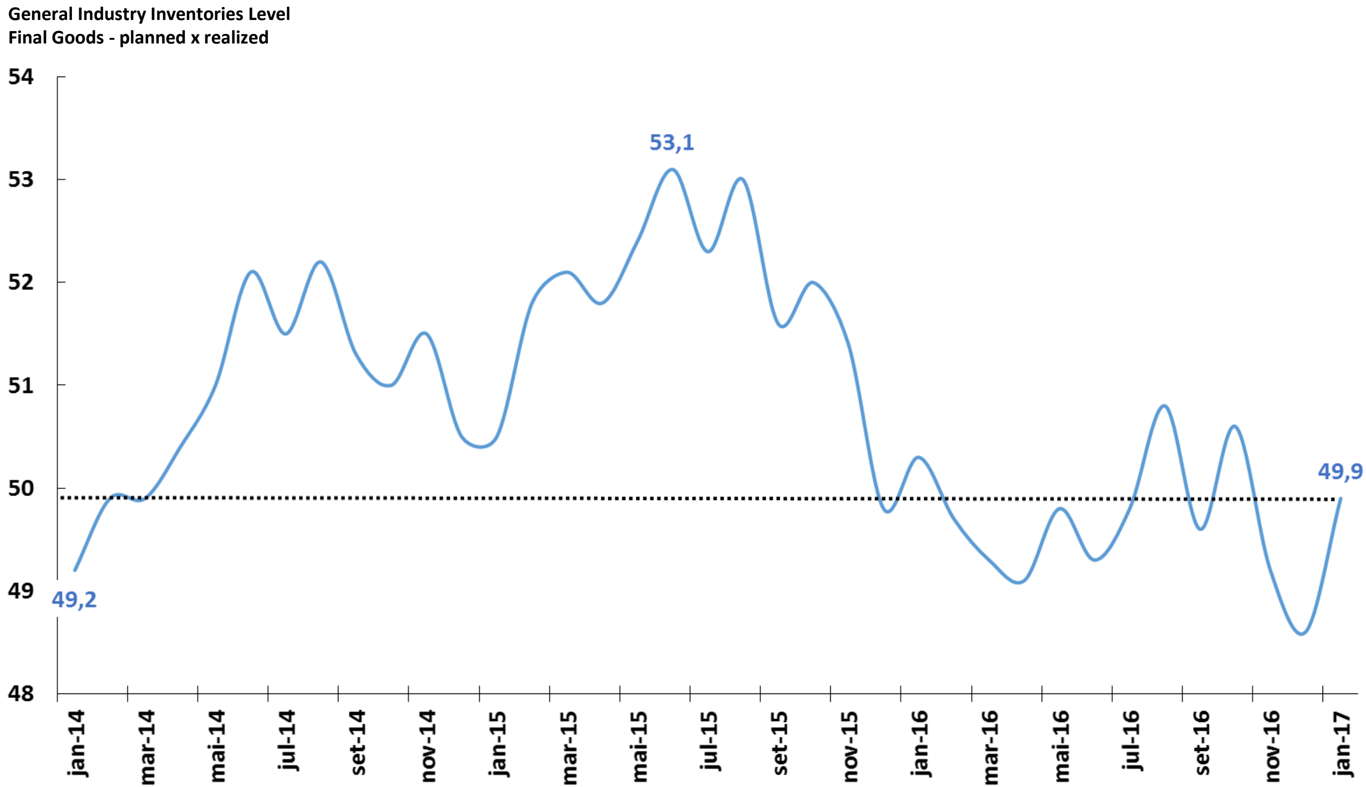
Capacity Utilization Rate



Source: CNI and FGV.

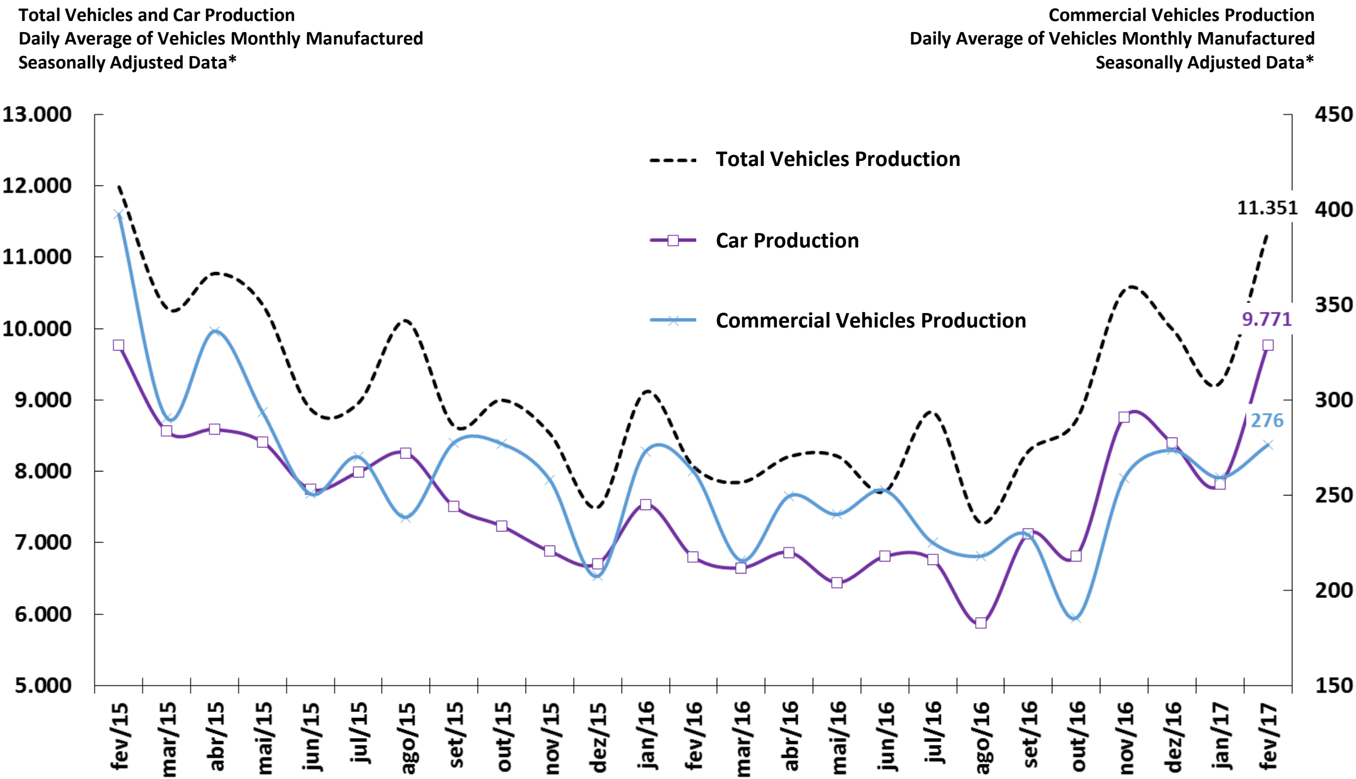
CNI: Industry Inventory Levels



Source: CNI.

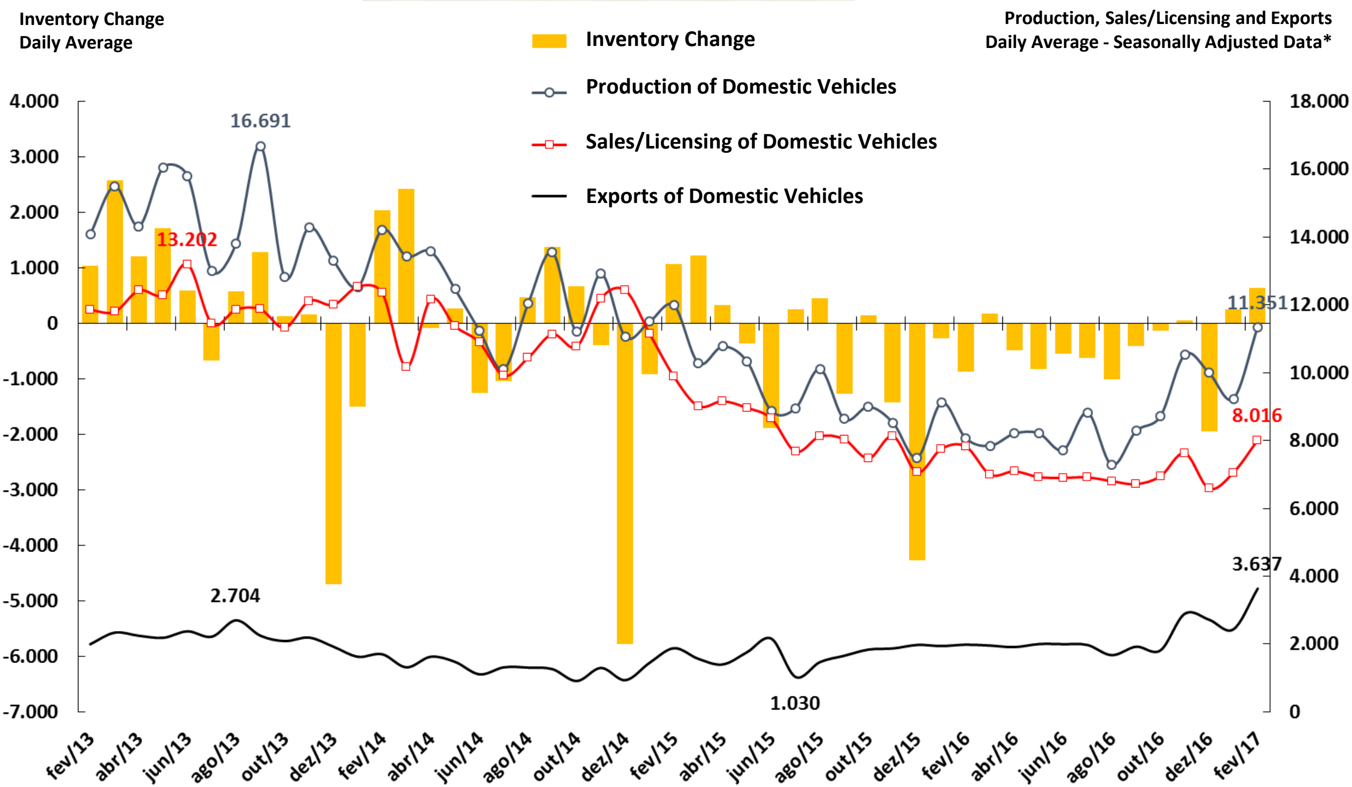
Fonte: CNI.

Anfavea: Automotive Sector Production



Source: ANFAVEA. * Seasonally adjusted by SEPLAN/MP using X-13Arima-Seats/X12-Arima.

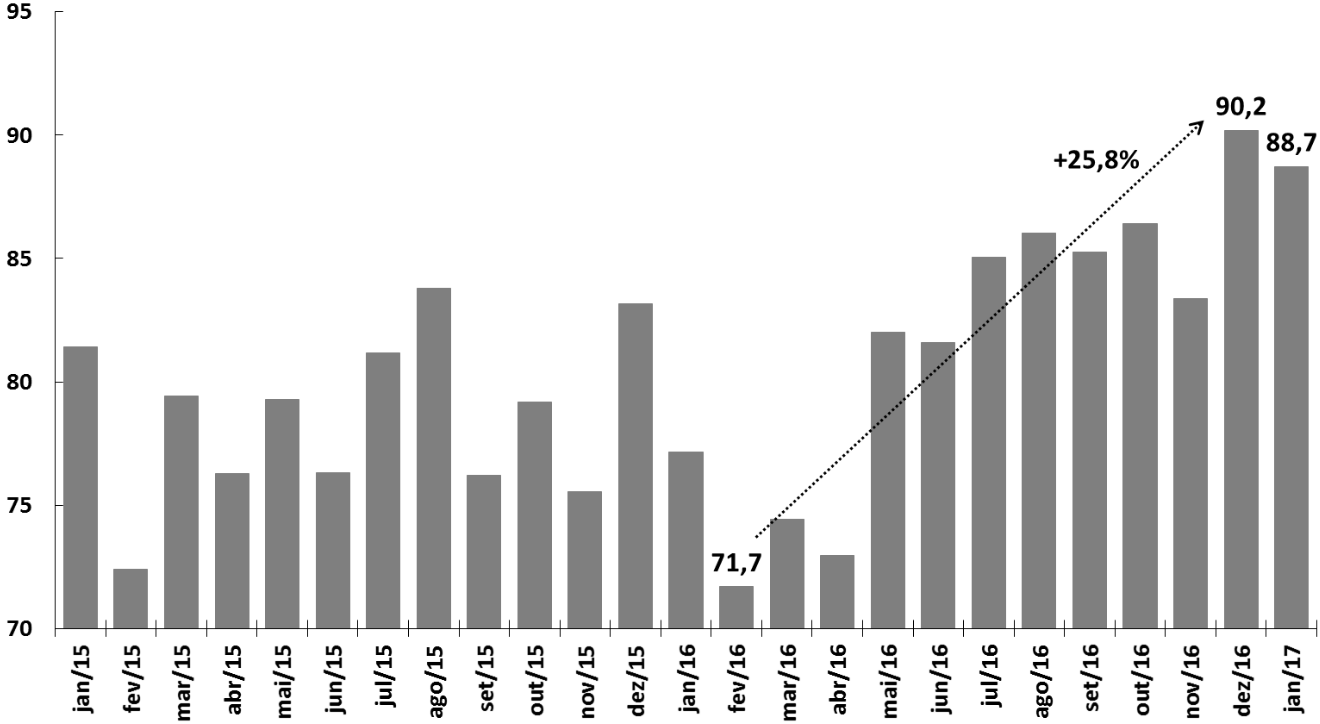
Automotive Sector Production, Sales and Inventory Change



Source: ANFAVEA and FENABRAVE. * Seasonally adjusted by SEPLAN/MP using X-13Arima-Seats/X12-Arima.

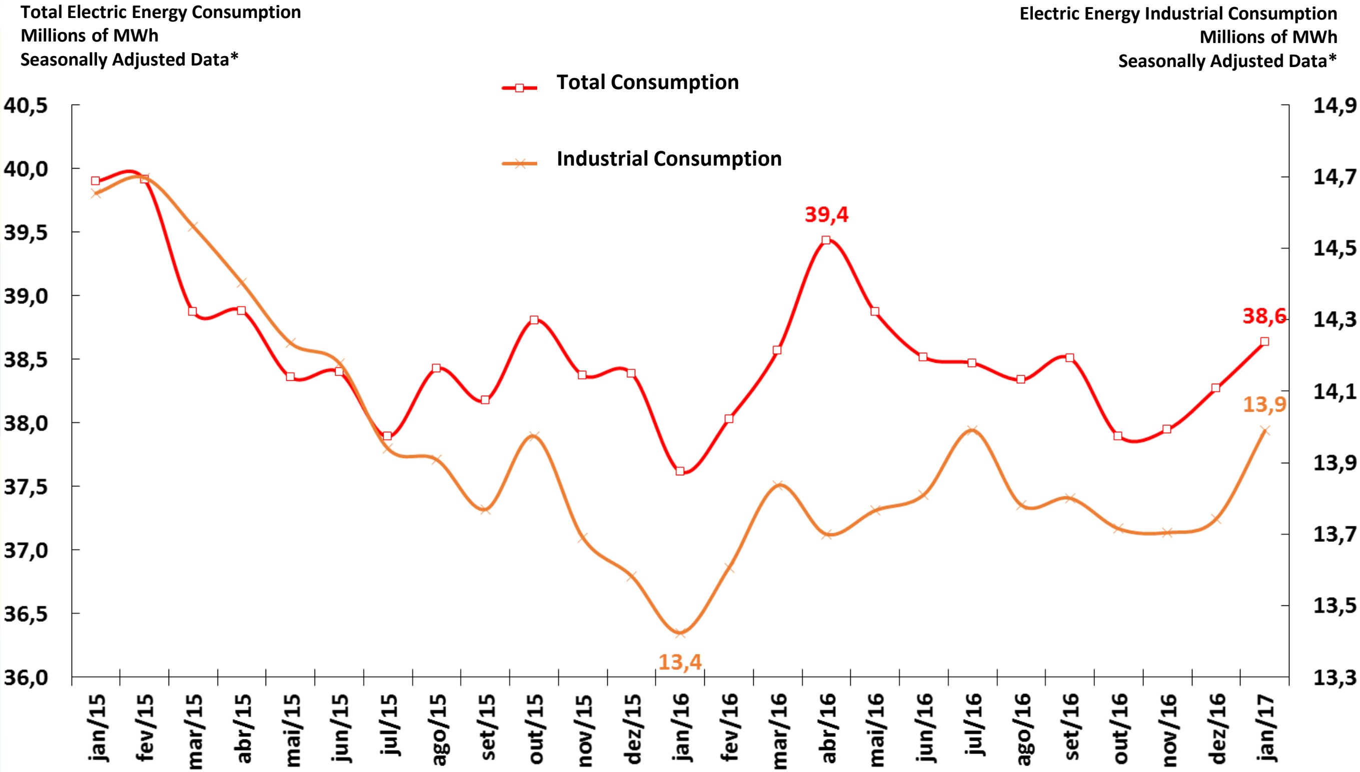
ANP: Natural Gas and Oil Production

Natural Gas and Oil National Production
Millions of Barrels of Oil Equivalent (BOE) per Month



Source: ANP.

ANEEL: Electric Energy Consumption



Source: ANEEL. * Seasonally adjusted by SEPLAN/MP using X-13Arima-Seats/X12-Arima.

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ONS: Electric Energy System Supply

Source: ONS. * Seasonally adjusted by SEPLAN/MP using X-13Arima-Seats/X12-Arima.

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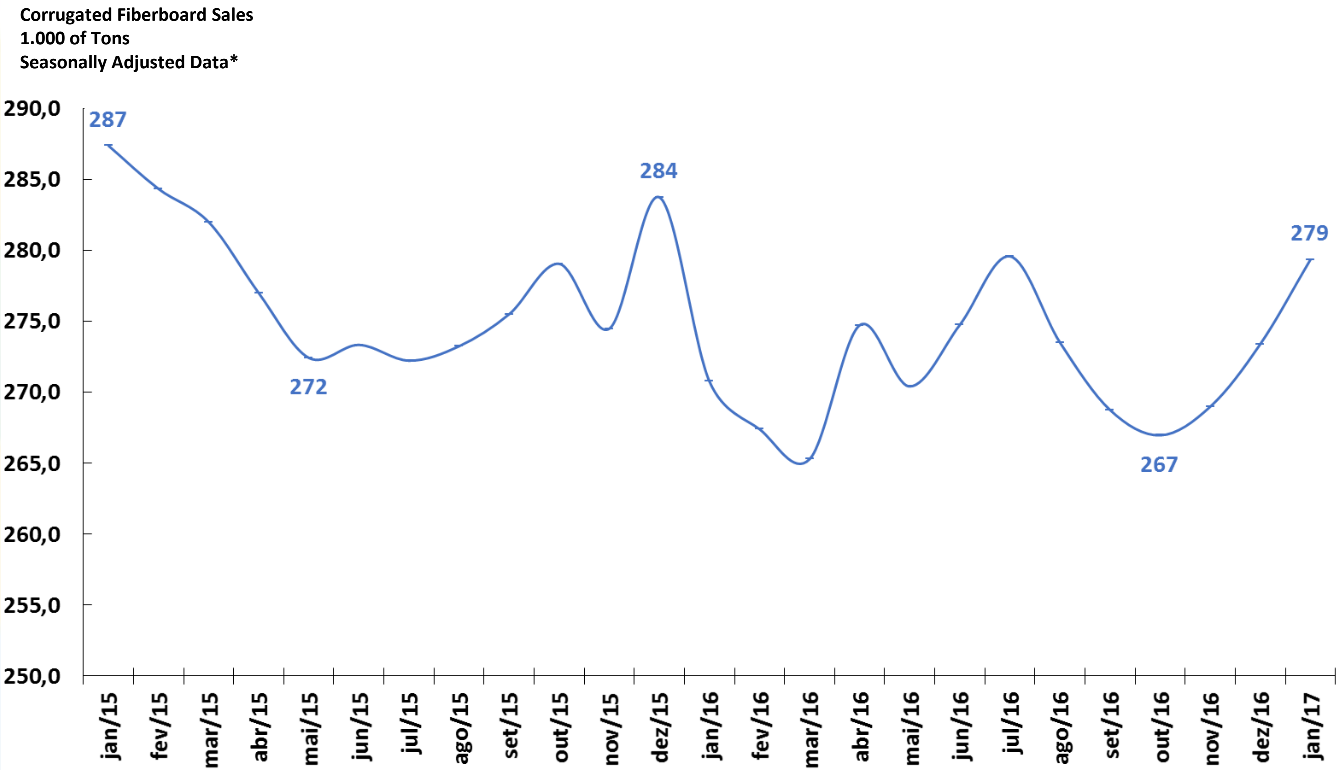
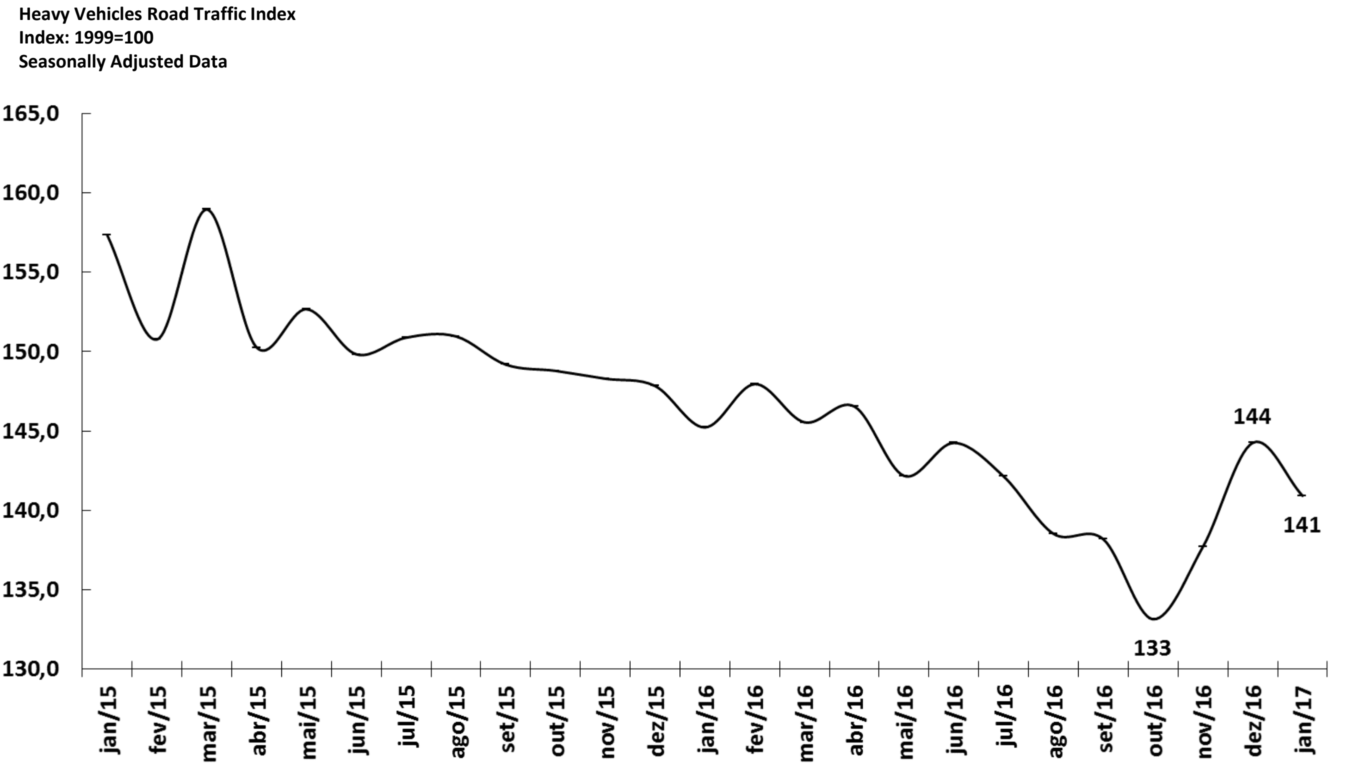
ABPO: Corrugated Fiberboard Sales



Source: ABPO. * Seasonally adjusted by SEPLAN/MP using X-13Arima-Seats/X12-Arima.

ABCR: Heavy Vehicles Road Traffic Index



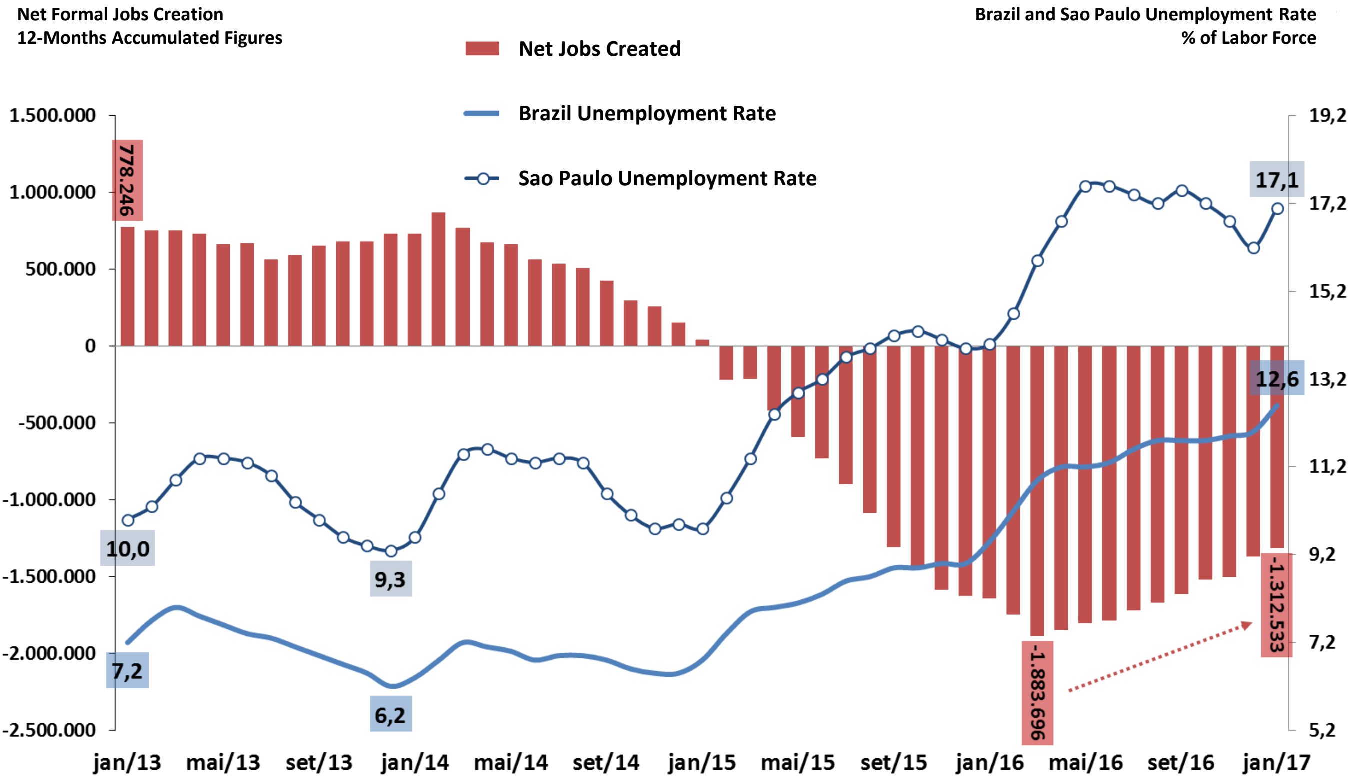
Source: ABCR.

LABOR MARKET

Labor Market

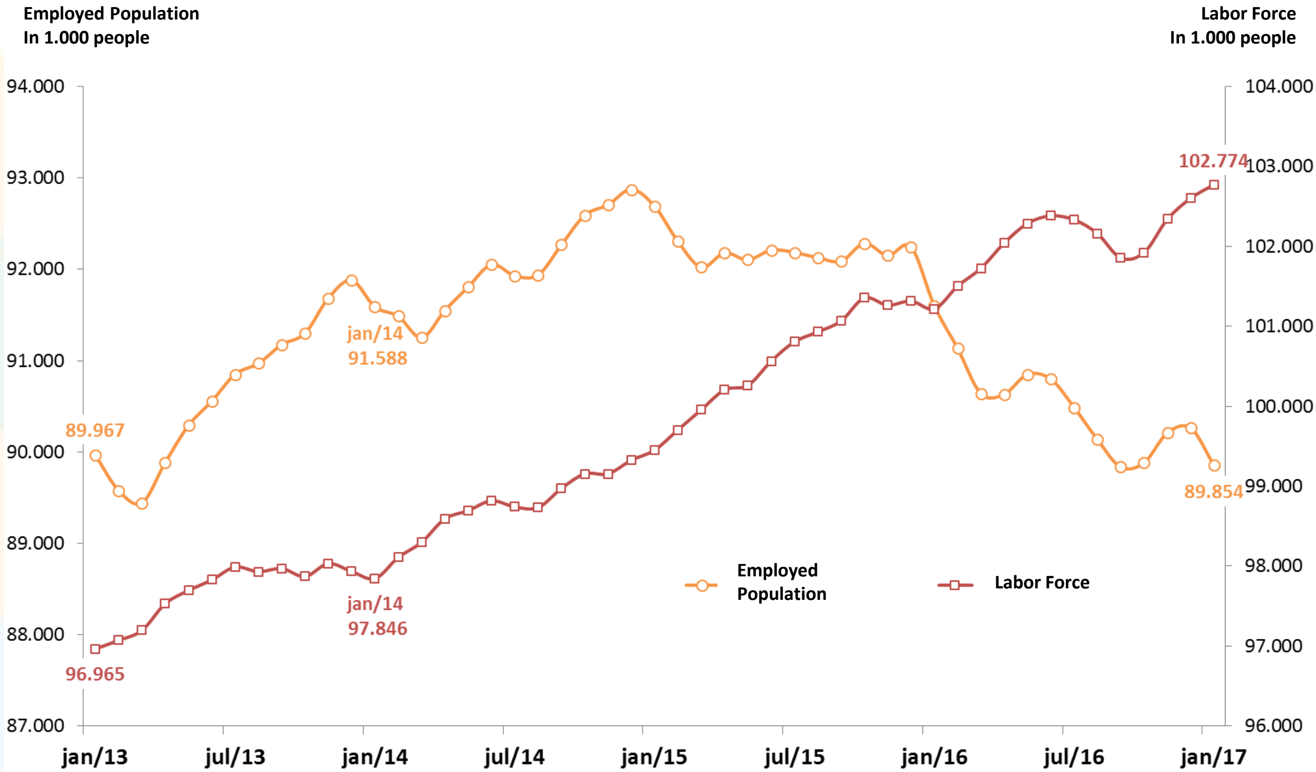
Formal Jobs (CAGED, MTE) January 2017 thousand people	2015	2016	Dec/16 accum. in 12-months	Jan/17 accum. in 12-months	Year-To-Date	Jan/17	chg.% 2016 / 2015	chg.% Jan/17 accum. 12-m / 2015	chg.% YTD 2017 / YTD 2016
Net Formal Jobs Creation	**-1.626**	**-1.371**	**-1.371**	**-1.313**	**-41**	**-41**	**-15,6%**	**-4,3%**	**41,0%**
Job Oppenings	16.862	14.172	14.172	14.192	1.225	1.225	-16,0%	0,1%	101,7%
Job Separations	18.487	15.543	15.543	15.505	1.266	1.266	-15,9%	-0,2%	97,0%
Employment Indicators January 2017 Brasil (PNADC, IBGE)	**2015 average**	**2016 average**	**Jan/17 (12-months moving average)**	**Jan/17**	**chg.% 2016 / 2015**	**chg.% Dec/16 / Dec/15**	**chg.% Jan/17 / Jan/16**	**chg.% YTD 2017 / YTD 2016**	**chg.% Jan17 / 2016 average**
Unemployment Rate % Labor Force	**8,3**	**11,3**	**11,5**	**12,6**	**3,0 pp**	**3,0 pp**	**3,1 pp**	**3,1 pp**	**1,3 pp**
Unemployed Population (in thousands)	8.358	11.494	11.769	12.920	37,5%	36,0%	34,3%	34,3%	12,4%
Employed Population (in thousands)	92.216	90.539	90.393	89.854	-1,8%	-2,1%	-1,9%	-1,9%	-0,8%
Labor Force (in thousands)	100.575	102.033	102.162	102.774	1,4%	1,3%	1,5%	1,5%	0,7%
Working Age Population (in thousands)	164.197	166.189	166.379	167.382	1,2%	1,3%	1,4%	1,4%	0,7%
São Paulo Unemployment Rate % (RMSP, PED-Seade)	**12,9**	**16,6**	**16,8**	**17,1**	**3,7 pp**	**2,3 pp**	**3,1 pp**	**3,1 pp**	**0,5 pp**
Average Real Earnings (PNADC, IBGE) January 2017 real values (in R$ of last month)	**2015 average**	**2016 average**	**Jan/17 (12-months moving average)**	**Jan/17**	**chg.% 2016 / 2015**	**chg.% Dec/16 / Dec/15**	**chg.% Jan/17 / Jan/16**	**chg.% YTD 2017 / YTD 2016**	**chg.% Jan17 / 2016 average**
Employed Population	**2.086**	**2.036**	**2.037**	**2.056**	**-2,4%**	**0,4%**	**0,4%**	**0,4%**	**1,0%**
Formal Contract	1.985	1.959	1.960	1.965	-1,3%	1,1%	0,3%	0,3%	0,3%
Informal Contract	1.194	1.199	1.196	1.195	0,4%	-3,8%	-2,3%	-2,3%	-0,3%
Self-employed	1.594	1.538	1.534	1.522	-3,5%	-3,5%	-3,6%	-3,6%	-1,1%
Public Sector	3.161	3.206	3.214	3.309	1,4%	2,3%	3,3%	3,3%	3,2%
Real Wage Bill (in R$ millions of last month)	186.298	179.708	179.533	180.191	-3,5%	-1,3%	-1,1%	-1,1%	0,3%

Unemployment Rate and Net Formal Job Creation



Sources: IBGE-PNADC, SEADE-PED and MTE-CAGED (non-adjusted data).

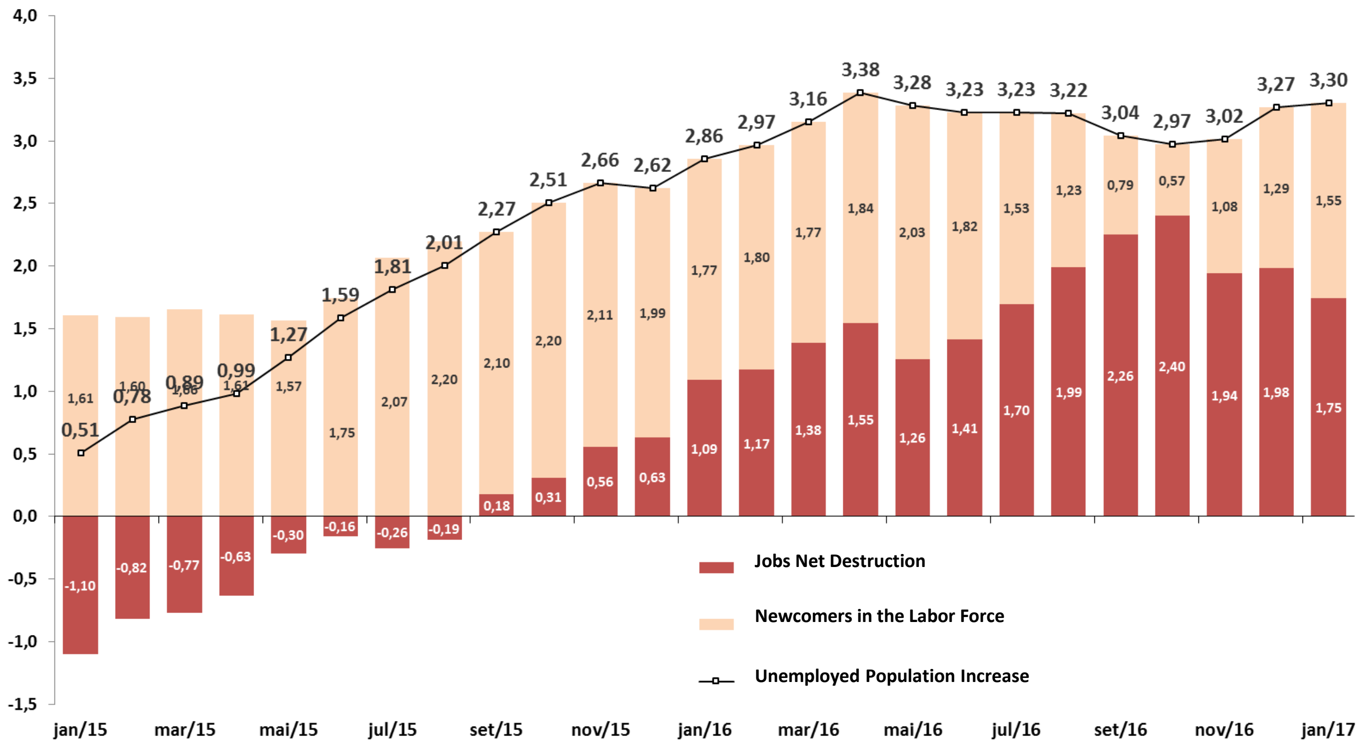
Employed Population and Labor Force Evolution



Source: IBGE-PNADC.

12-Month Total Unemployment Increase Decomposition

In million people



Source: IBGE-PNADC.

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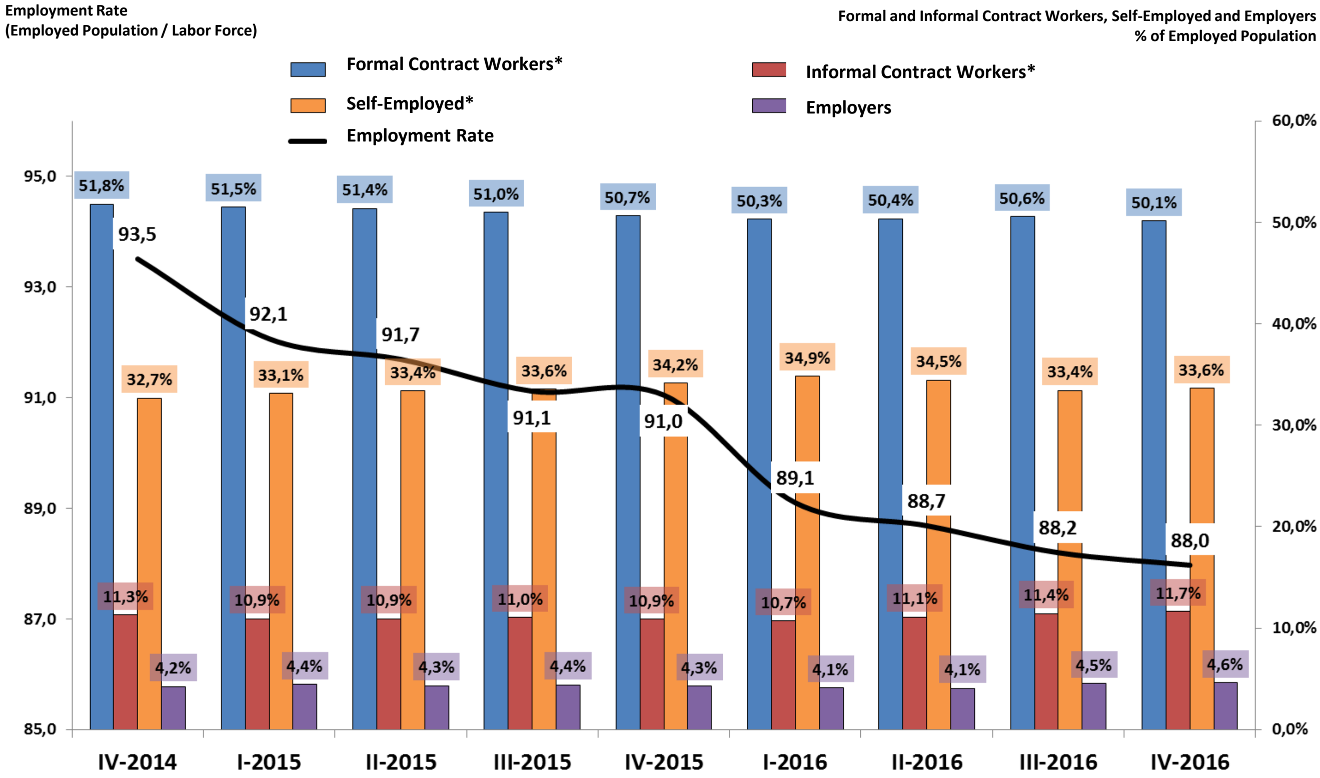
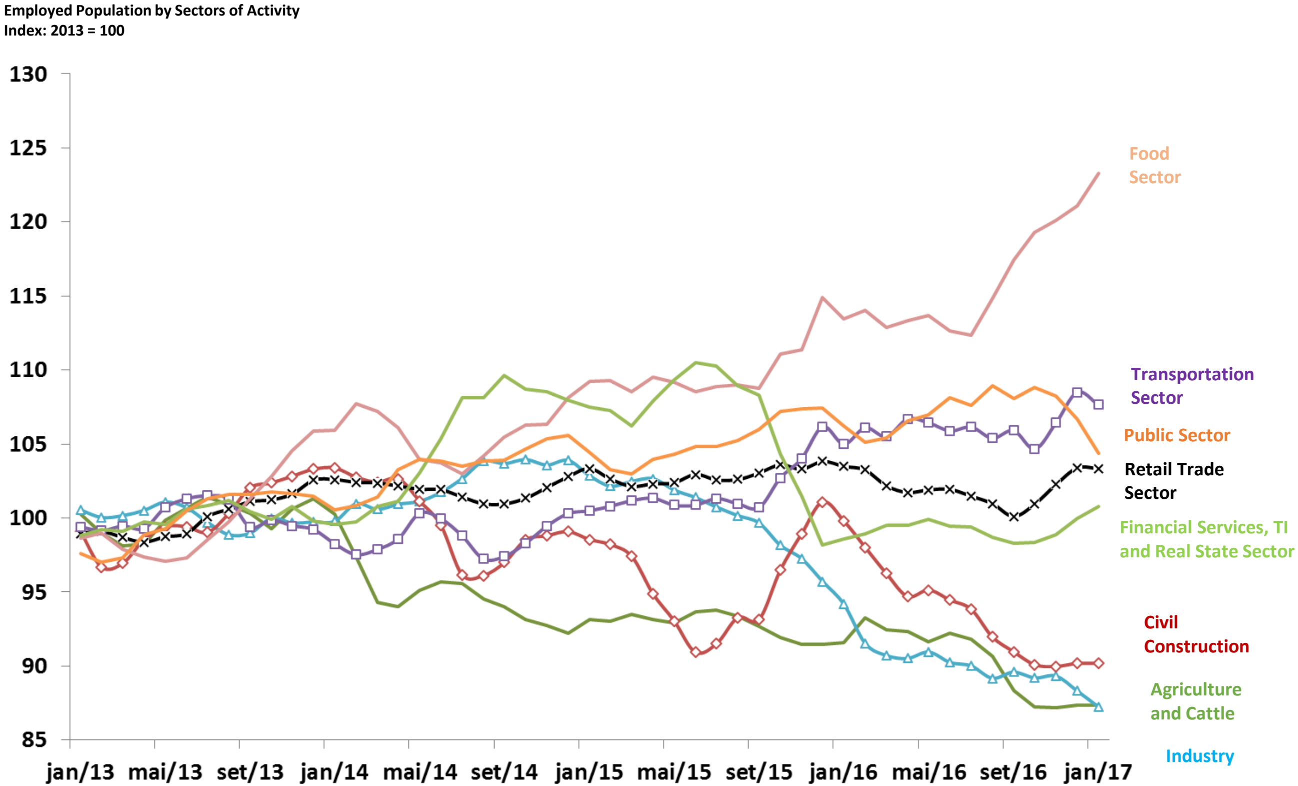
Labor Market Evolution by Employment Type



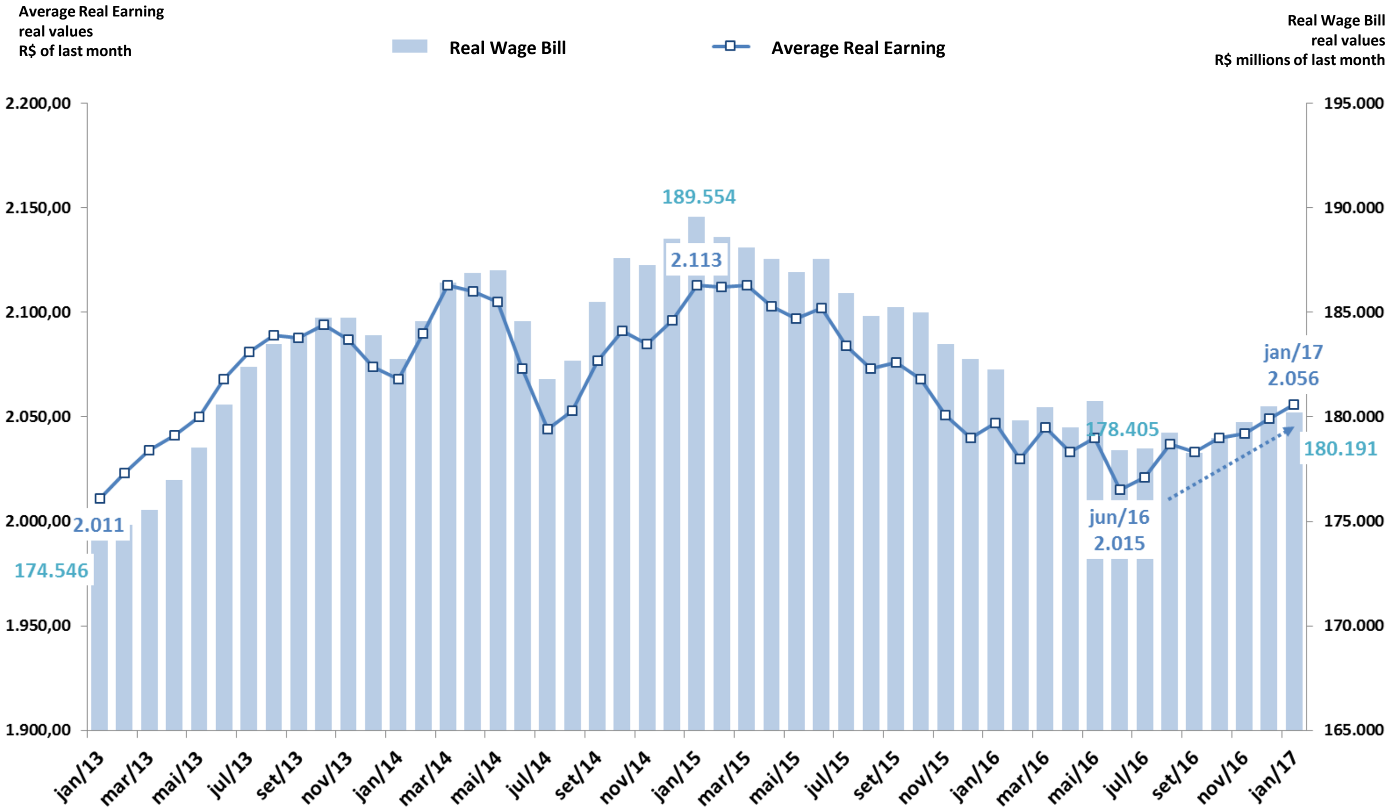
Source: IBGE-PNADC. Note: *Formal contract includes both private and public sectors and Self-Employed includes home-workers and family-workers.

Employment by Sector of Activity



Source: IBGE-PNADC.

Real Wage Bill and Average Real Earning



Source: IBGE-PNADC.

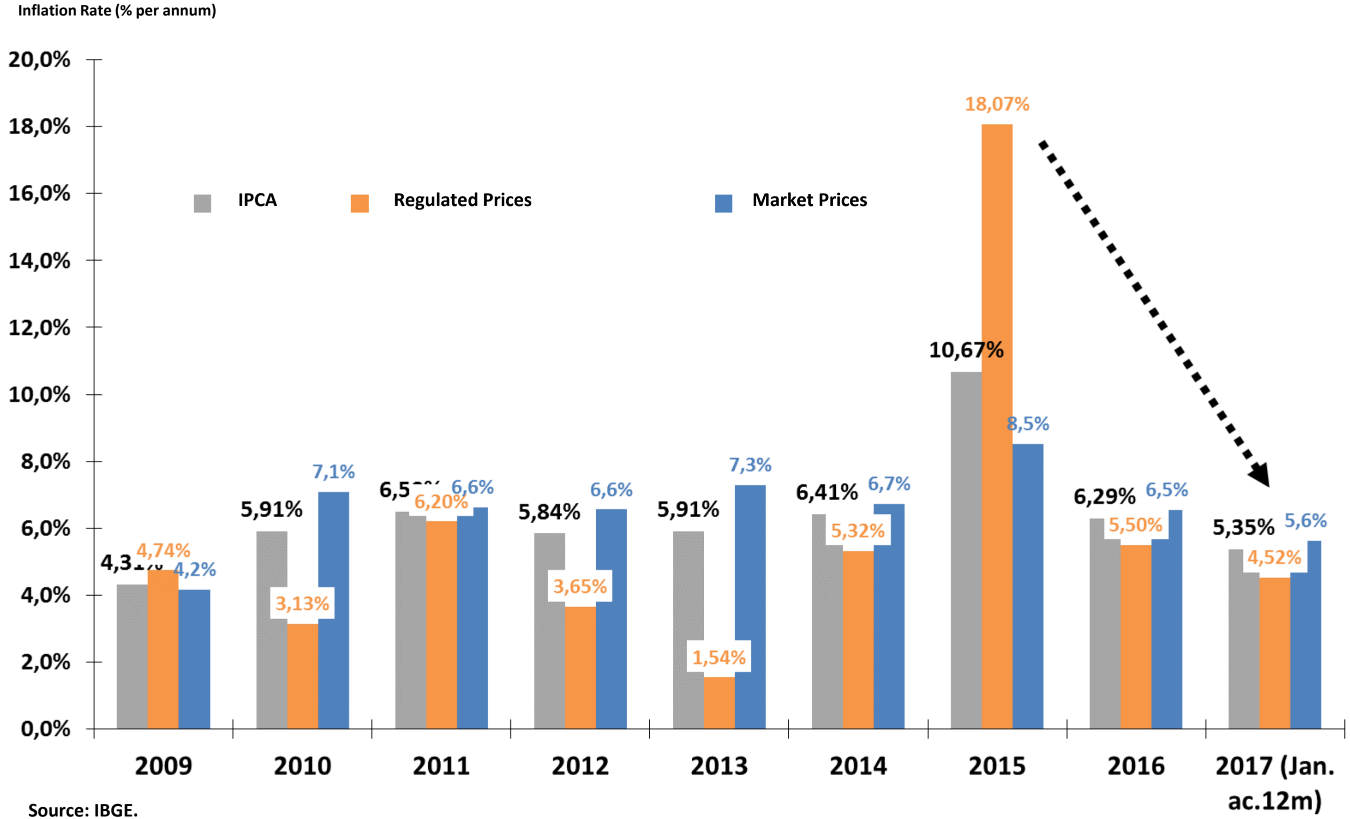
PRICES AND INFLATION

Prices and Inflation

Inflation Index January 2017	2015	2016	Accum. In 12-months	YTD 2015	YTD 2016	Nov/15	Dec/15	Jan/16	Nov/16	Dec/16	Jan/17	2017 (BCB/Focus: 03/03/2017)	2018 (BCB/Focus: 03/03/2017)	2019 (BCB/Focus: 03/03/2017)
IPCA Inflation Target (CMN)	**4,5%**	**4,5%**										**4,5%**	**4,5%**	**4,5%**
Consumer Price Index IPCA (IBGE)	**10,7%**	**6,3%**	**5,4%**	**1,3%**	**0,4%**	**1,01%**	**0,96%**	**1,27%**	**0,18%**	**0,30%**	**0,38%**	**4,4%**	**4,5%**	**4,5%**
IPCA core by Ex2 method	9,4%	6,2%	5,6%	0,9%	0,4%	0,5%	0,8%	0,9%	0,3%	0,3%	0,4%			
Food and Beverages	12,0%	8,6%	6,6%	2,3%	0,4%	1,8%	1,5%	2,3%	-0,2%	0,1%	0,4%			
Housing	18,3%	2,8%	2,2%	0,8%	0,2%	0,8%	0,5%	0,8%	0,3%	-0,6%	0,2%			
Household Articles	5,4%	3,4%	2,8%	0,4%	-0,1%	0,3%	0,5%	0,5%	-0,2%	-0,3%	-0,1%			
Wearing Apparel	4,5%	3,5%	3,4%	-0,2%	-0,4%	0,8%	1,2%	-0,2%	0,2%	0,3%	-0,4%			
Transportation	10,2%	4,2%	3,2%	1,8%	0,8%	1,1%	1,4%	1,8%	0,3%	1,1%	0,8%			
Health and Personal Care	2,1%	1,3%	1,7%	0,2%	0,6%	1,0%	0,4%	0,2%	0,3%	0,0%	0,6%			
Personal Expenses	9,2%	11,0%	10,8%	0,8%	0,6%	0,6%	0,7%	0,8%	0,6%	0,5%	0,6%			
Education	9,5%	8,0%	7,2%	1,2%	0,4%	0,5%	0,6%	1,2%	0,5%	1,0%	0,5%			
Communication	9,2%	8,9%	8,8%	0,3%	0,3%	0,2%	0,2%	0,3%	0,1%	0,1%	0,3%			
Consumer Price Index INPC (IBGE)	**11,3%**	**6,6%**	**5,4%**	**1,5%**	**0,4%**	**1,11%**	**0,90%**	**1,51%**	**0,07%**	**0,14%**	**0,42%**	**4,6%**	**4,5%**	**4,5%**
São Paulo Consumer Price Index IPC RMSP (FIPE)	**11,1%**	**6,5%**	**6,5%**	**1,4%**	**1,4%**	**1,06%**	**0,82%**	**1,37%**	**0,15%**	**0,72%**	**1,37%**	**4,5%**	**4,5%**	**4,5%**
São Paulo Cost-of-Living Index ICV SP (DIEESE)	**11,5%**	**6,2%**	**5,4%**	**1,8%**	**1,0%**	**1,02%**	**0,77%**	**1,80%**	**0,28%**	**0,12%**	**1,04%**			

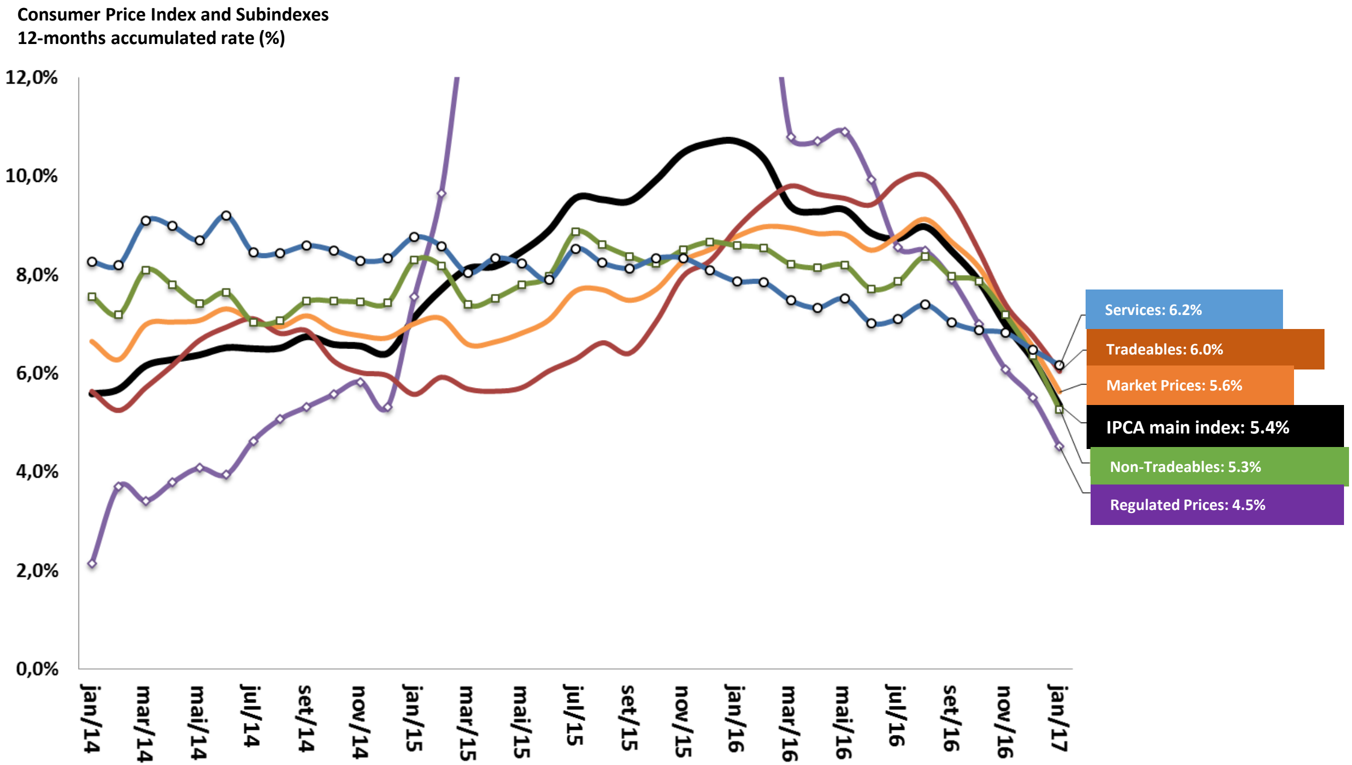
Inflation Index February 2017	2015	2016	Accum. In 12-months	YTD 2015	YTD 2016	Dec/15	Jan/16	Feb/16	Dec/16	Jan/17	Feb/17	2017	2018	2019
General Price Index IGP-10 (FGV)	**10,5%**	**7,0%**	**5,7%**	**2,3%**	**1,0%**	**0,81%**	**0,69%**	**1,55%**	**0,20%**	**0,88%**	**0,14%**			
Consumer Price Index IPCA - 15 (IBGE)	**10,7%**	**6,6%**	**5,0%**	**2,4%**	**0,9%**	**1,18%**	**0,92%**	**1,42%**	**0,19%**	**0,31%**	**0,54%**			
General Price Index IGP-M (FGV)	**10,5%**	**7,2%**	**5,4%**	**2,4%**	**0,7%**	**0,49%**	**1,14%**	**1,29%**	**0,54%**	**0,64%**	**0,08%**	**4,8%**	**4,7%**	**4,5%**
General Price Index IGP-DI (FGV)	**10,7%**	**7,2%**	**5,2%**	**2,3%**	**0,5%**	**0,44%**	**1,53%**	**0,79%**	**0,83%**	**0,43%**	**0,06%**	**4,6%**	**4,7%**	**4,5%**
Consumer Price Subindex IPC/Br-DI	**10,5%**	**6,2%**	**4,3%**	**2,6%**	**0,7%**	**0,9%**	**1,8%**	**0,8%**	**0,3%**	**0,7%**	**0,0%**			
Civil Construction Cost Subindex INCC-DI	**7,5%**	**6,1%**	**5,6%**	**0,9%**	**0,4%**	**0,1%**	**0,4%**	**0,5%**	**0,3%**	**0,4%**	**0,0%**			
Wholesale Price Subindex IPA-DI	**11,3%**	**7,7%**	**5,4%**	**2,5%**	**0,2%**	**0,3%**	**1,6%**	**0,8%**	**1,1%**	**0,3%**	**-0,1%**	**4,5%**	**5,0%**	**4,6%**
IPA-OG-DI Industry	9,6%	6,7%	6,4%	1,6%	1,3%	-0,1%	1,2%	0,4%	2,0%	1,3%	0,1%			
IPA-OG-DI Farming	15,6%	9,9%	2,2%	4,7%	-2,7%	1,5%	2,6%	2,0%	-1,2%	-2,1%	-0,7%			

Relative Prices Realignment in Consumer Price Index



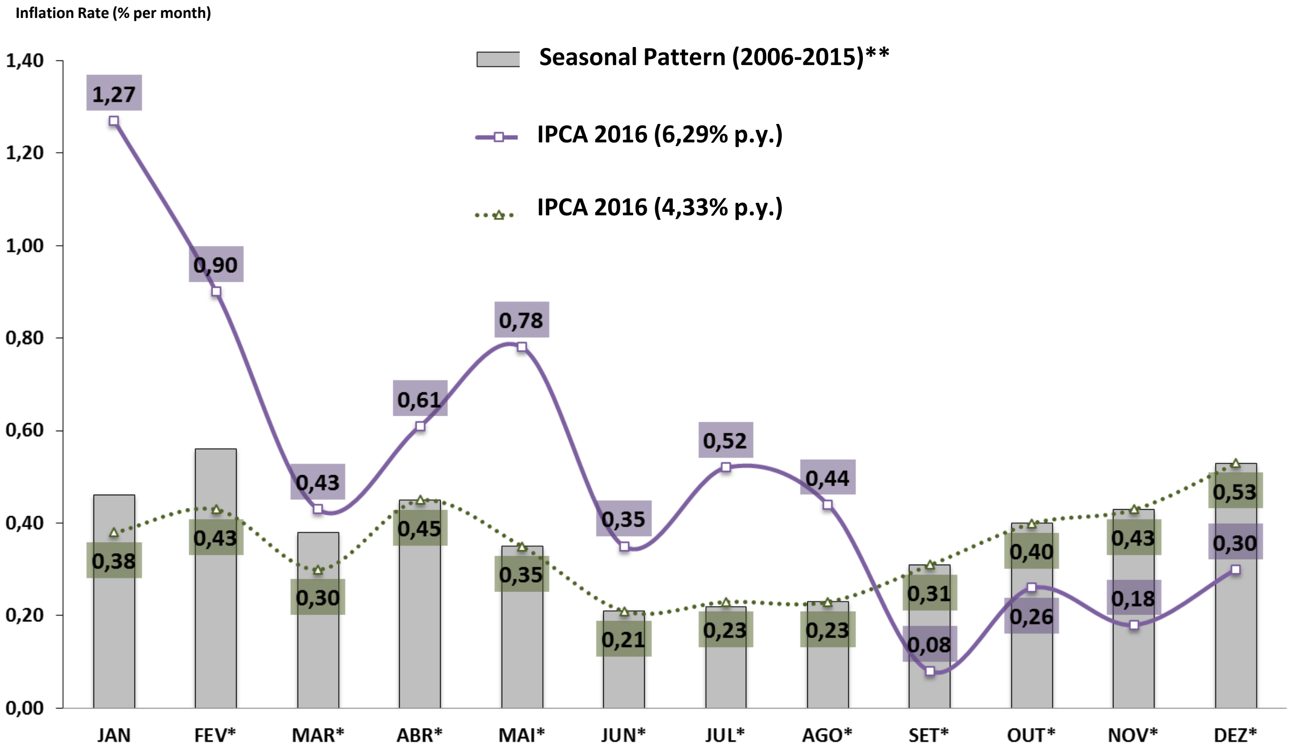
Source: IBGE.

Consumer Price Index (IPCA) and Subindexes



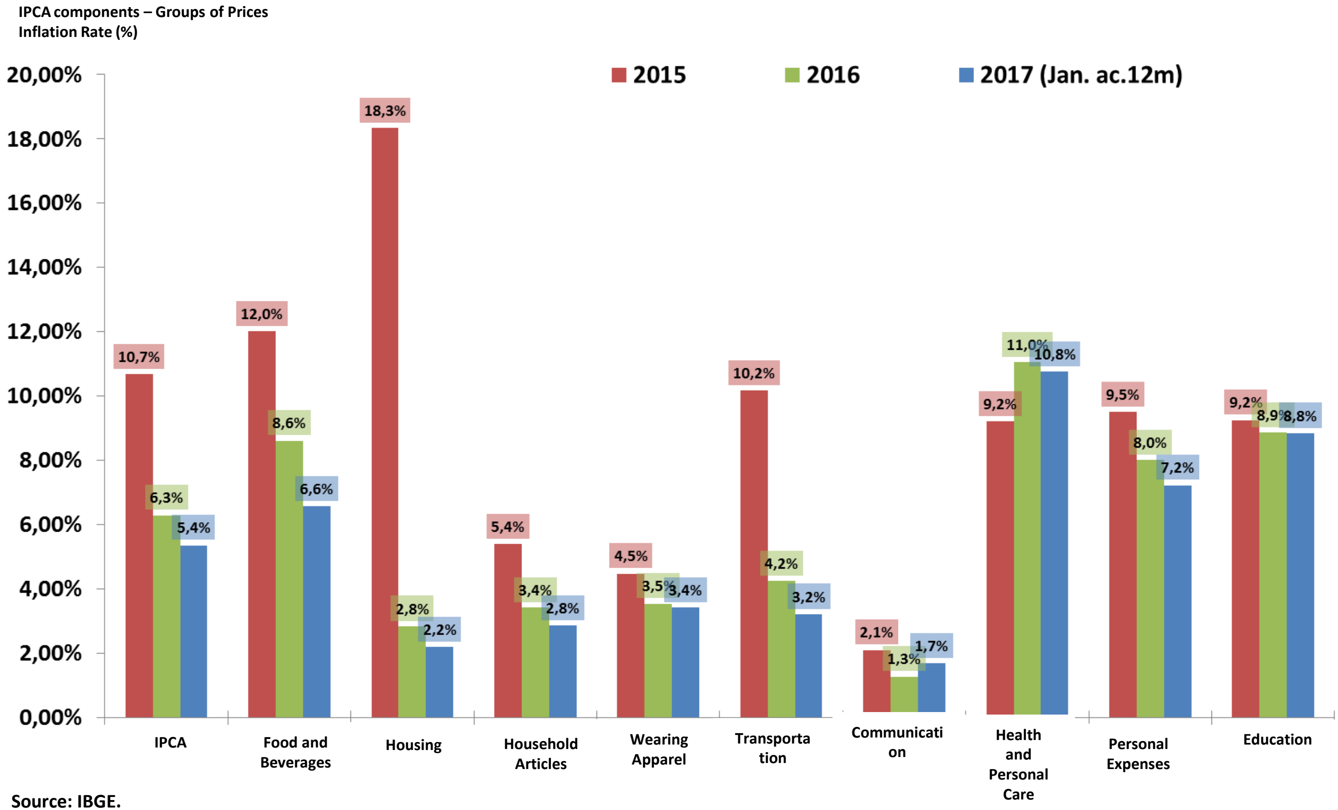
Source: IBGE.

Consumer Price Index (IPCA) and Seasonal Pattern



Sources: IBGE and Central Bank of Brazil. *BCB-Focus Survey 3rd March, median of market expectations. **Seasonal pattern estimated by SEPLAN/MP.

Consumer Price Index (IPCA) by Groups of Prices



Source: IBGE.

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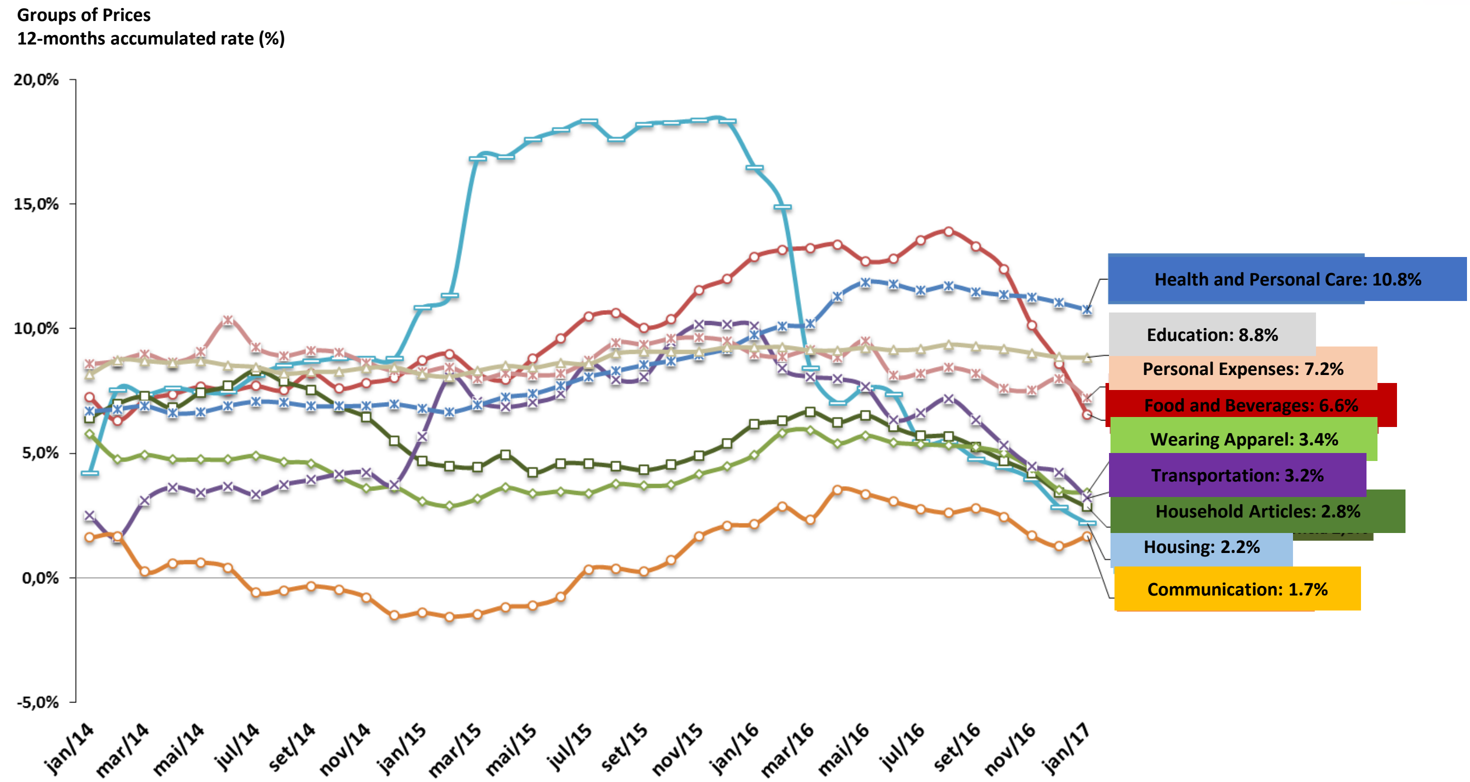
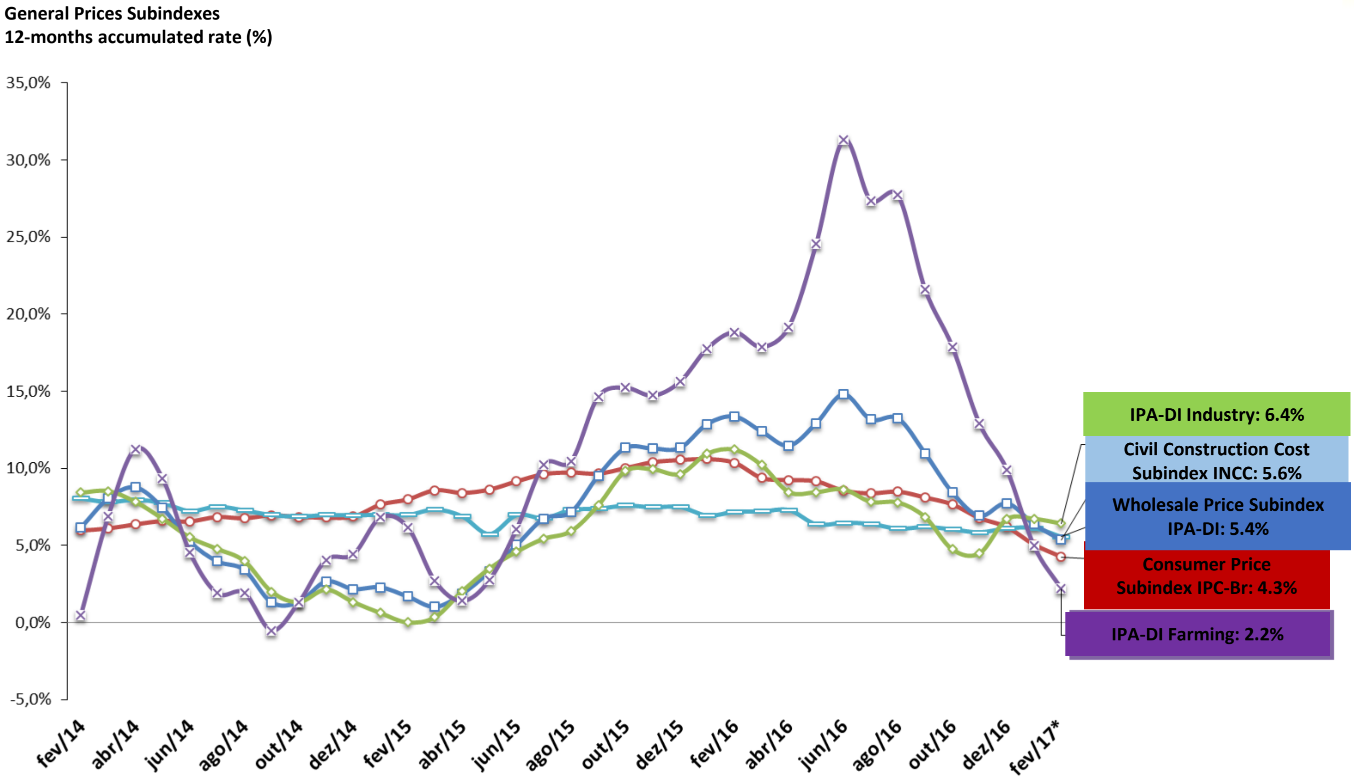
Consumer Price Index (IPCA) by Groups of Prices



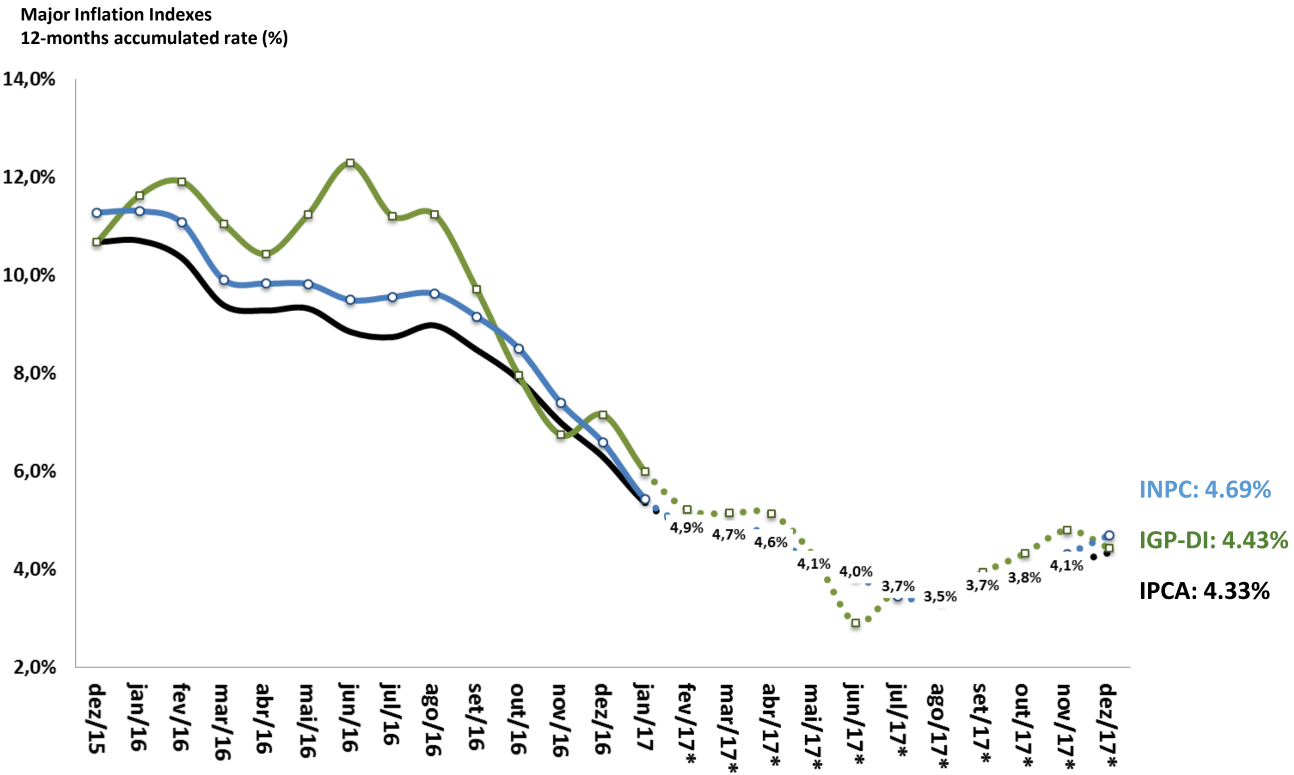
Source: IBGE.

General Price Index (IGP-DI) by Subindexes



Source: FGV.

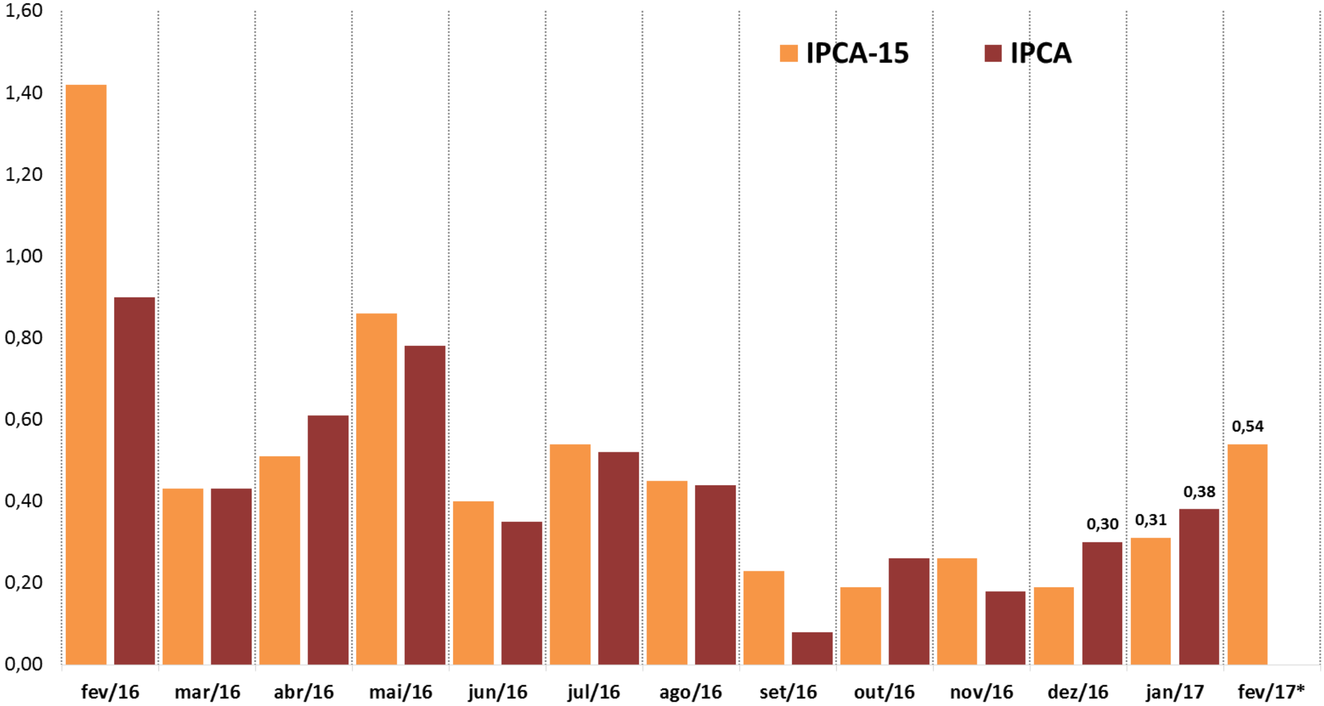
Major Inflation Indexes: 12 Months



Sources: IBGE and Central Bank of Brazil. *BCB-Focus Survey 3rd March, median of market expectations.

Chained Series of Monthly Consumer Price Indexes

IPCA-15 and IPCA – Chained series of indexes by order of publication



Source: IBGE.

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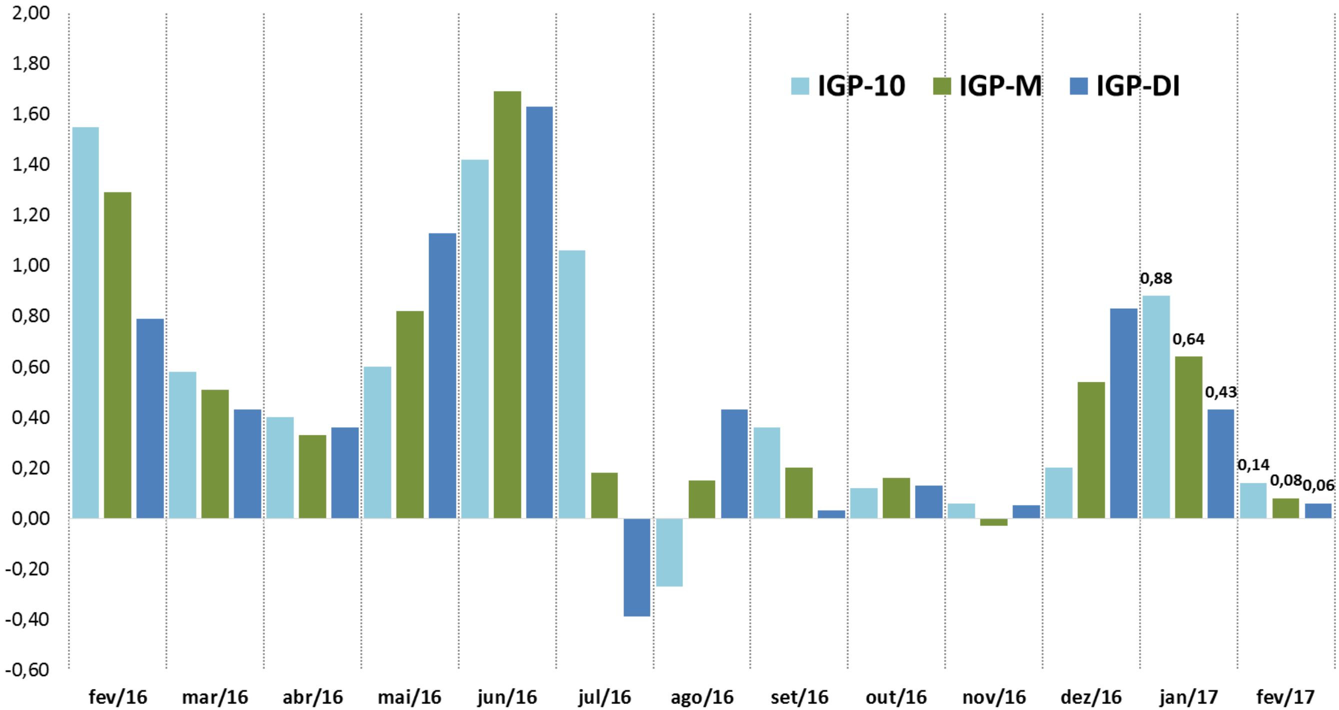
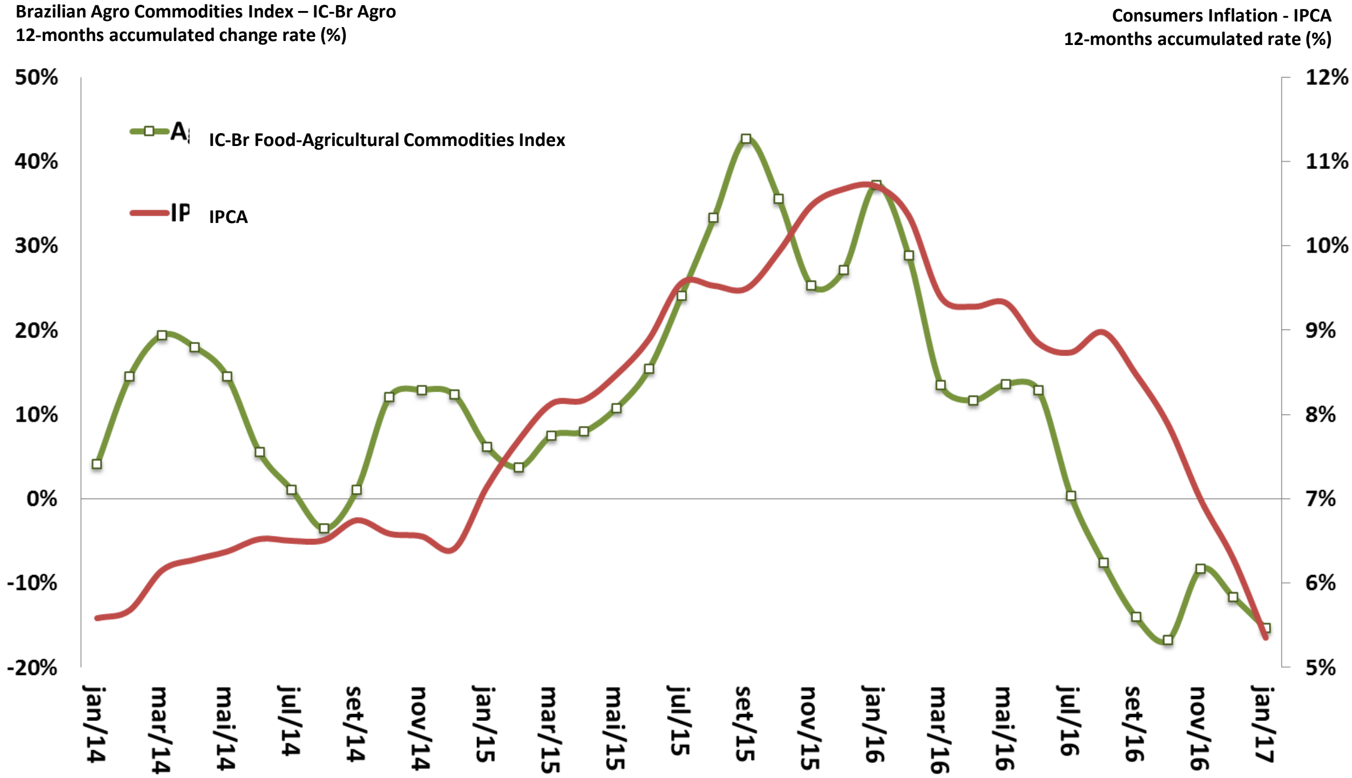
Chained Series of Monthly General Price Indexes

IGP-10, IGP-M and IGP-DI – Chained series of indexes by order of publication



Source: FGV.

Consumer Price Index and Food-Agricultural Commodities Index



Sources: IBGE and Central Bank of Brazil.

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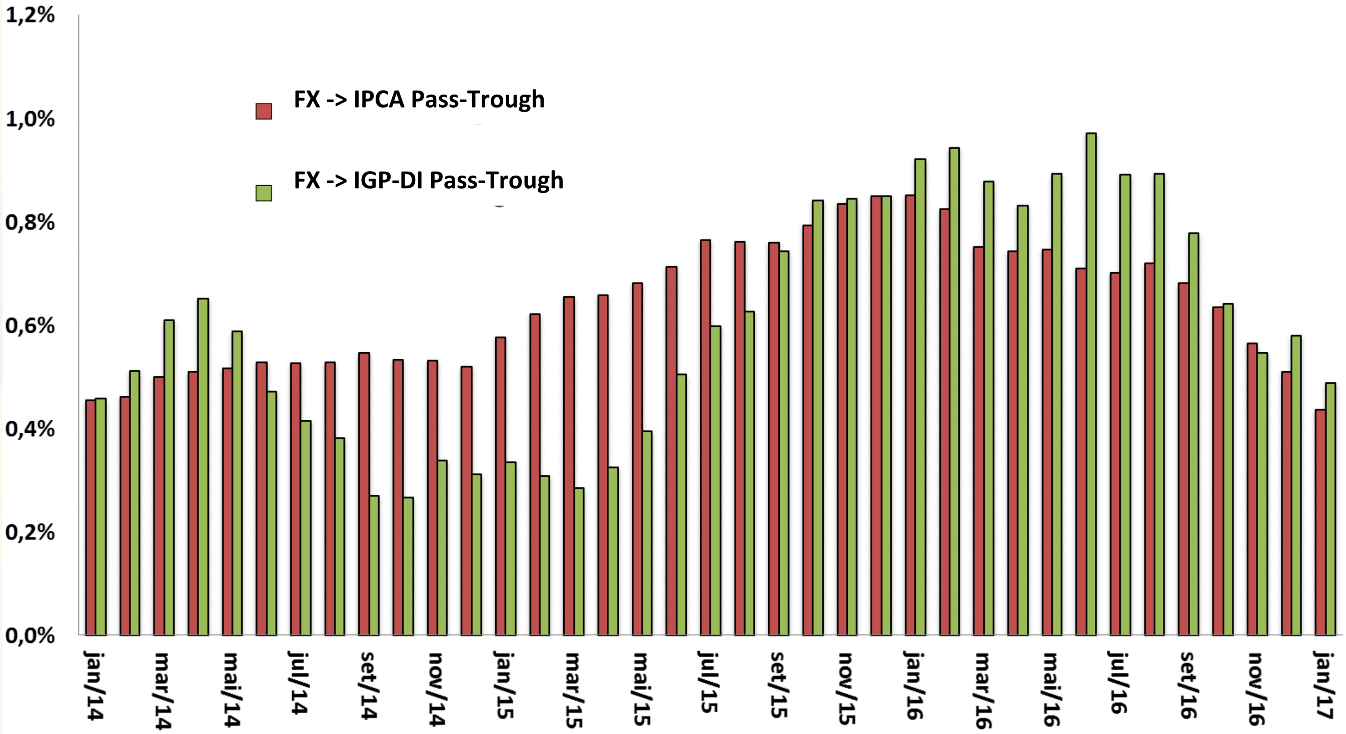
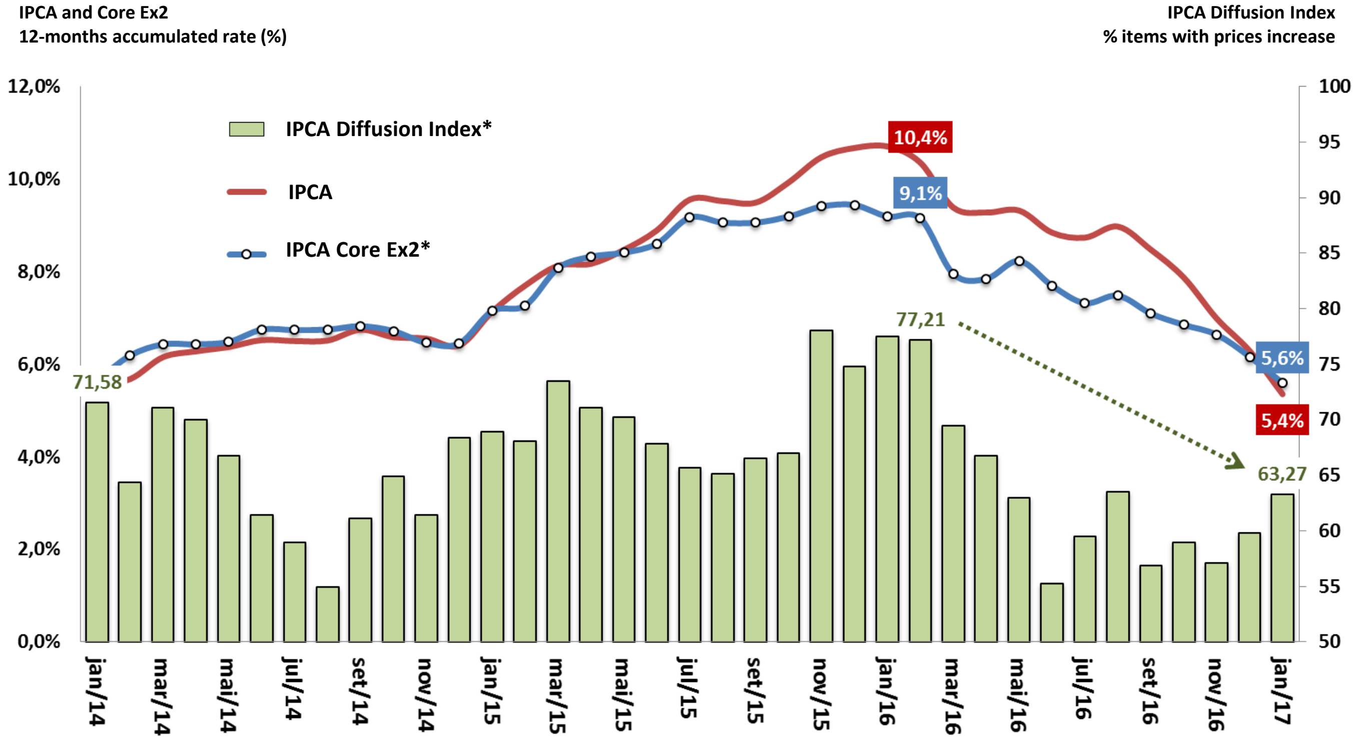
Exchange Rate Pass-Through in Consumer and General Price Indexes

Exchange Rate-Inflation Pass-Trough = impact of 1% change of exchange rate in 12-months inflation



Sources: IBGE and FGV. Note: Pass-Trough series estimated by SEPLAN/MP.

IPCA, Core Inflation (IPCA Ex2) and Diffusion Index



Source: IBGE. * Ex2 = Exclusion from the main index of 12 items, 10 from residence dining and 2 from regulated prices. The excluded items represent, on average, 16% of IPCA main index.
** Diffusion Index = % of items from IPCA with price increase.

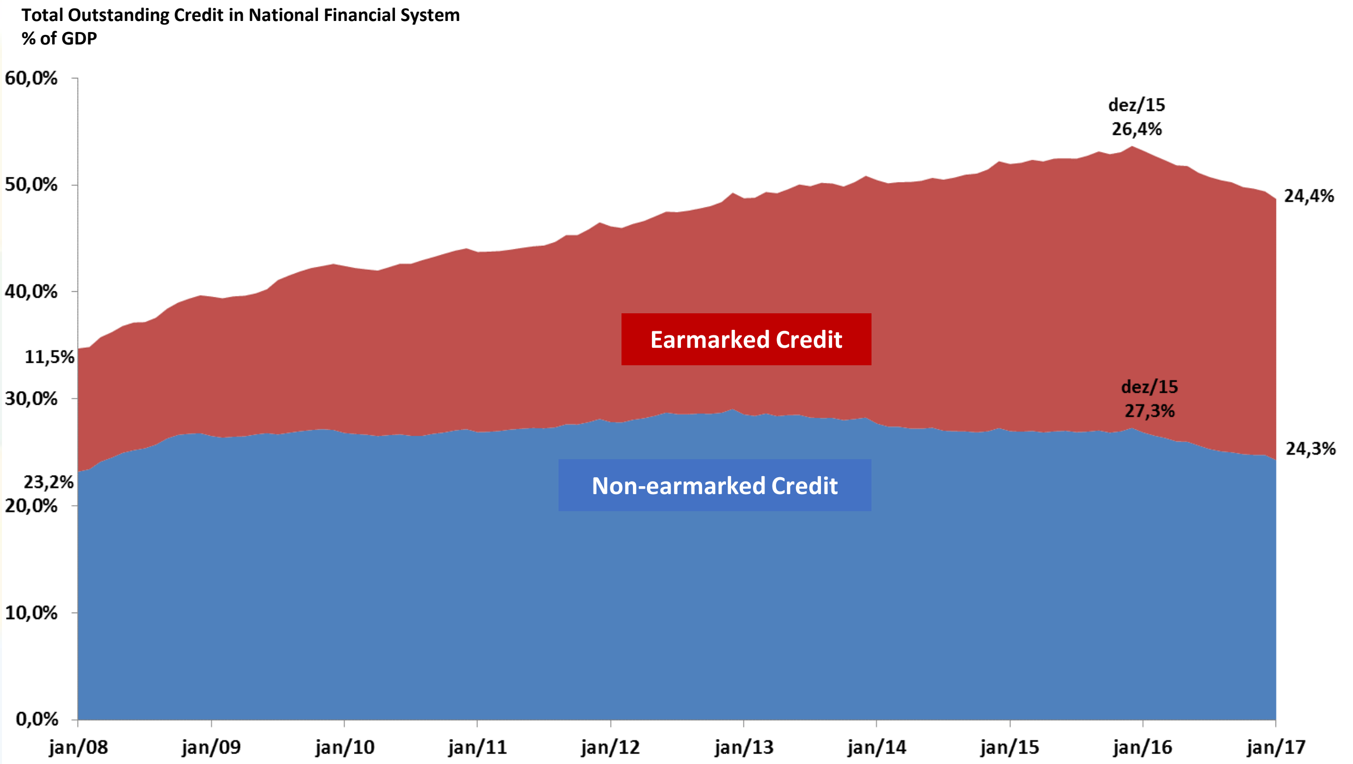
CREDIT MARKET

Credit Market

Credit Market (BCB) January 2016 End-of-Period Outstanding Credit (in R$ billions)	Dec/15	Dec/16	Jan/17	% of Total Credit Dec/15	% of Total Credit Dec/16	% of Total Credit Jan/17	chg.% Dec/16 / Dec/15	chg.% Jan/17 / Dec/16	% of GDP Dec/15	% of GDP Dec/16	% of GDP Jan/17
Total Credit in National Financial System	**3.219,3**	**3.105,3**	**3.073,6**	**100,0%**	**100,0%**	**100,0%**	**-3,5%**	**-1,0%**	**53,7%**	**49,4%**	**48,7%**
by type of borrower											
Public Sector (incl. State-Owned Enterprises)	**261,1**	**236,0**	**232,1**	**8,1%**	**7,6%**	**7,6%**	**-9,6%**	**-1,6%**	**4,4%**	**3,8%**	**3,7%**
Private Sector	**2.958,3**	**2.869,3**	**2.841,5**	**91,9%**	**92,4%**	**92,4%**	**-3,0%**	**-1,0%**	**49,3%**	**45,6%**	**45,0%**
Non-Financial Corporations	**1.707,2**	**1.544,8**	**1.508,3**	**53,0%**	**49,7%**	**49,1%**	**-9,5%**	**-2,4%**	**28,5%**	**24,6%**	**23,9%**
Households	**1.512,2**	**1.560,5**	**1.565,3**	**47,0%**	**50,3%**	**50,9%**	**3,2%**	**0,3%**	**25,2%**	**24,8%**	**24,8%**
by type of lender											
Public Financial Institutions	**1.796,7**	**1.729,7**	**1.717,8**	**55,8%**	**55,7%**	**55,9%**	**-3,7%**	**-0,7%**	**29,9%**	**27,5%**	**27,2%**
National Private Financial Institutions	**947,9**	**976,9**	**964,2**	**29,4%**	**31,5%**	**31,4%**	**3,1%**	**-1,3%**	**15,8%**	**15,5%**	**15,3%**
Foreign Private Financial Institutions	**474,7**	**398,7**	**391,6**	**14,7%**	**12,8%**	**12,7%**	**-16,0%**	**-1,8%**	**7,9%**	**6,3%**	**6,2%**
by type of credit											
Earmarked Credit	**1.582,2**	**1.549,4**	**1.541,5**	**49,1%**	**49,9%**	**50,2%**	**-2,1%**	**-0,5%**	**26,4%**	**24,6%**	**24,4%**
Housing	572,3	605,6	607,2	17,8%	19,5%	19,8%	5,8%	0,2%	9,5%	9,6%	9,6%
Rural	231,1	241,6	241,7	7,2%	7,8%	7,9%	4,5%	0,1%	3,9%	3,8%	3,8%
BNDES Development Bank	679,4	601,0	591,9	21,1%	19,4%	19,3%	-11,5%	-1,5%	11,3%	9,6%	9,4%
Others	99,3	101,2	100,6	3,1%	3,3%	3,3%	1,9%	-0,6%	1,7%	1,6%	1,6%
Non-Financial Corporations	875,3	797,7	784,9	27,2%	25,7%	25,5%	-8,9%	-1,6%	14,6%	12,7%	12,4%
Households	706,9	751,7	756,5	22,0%	24,2%	24,6%	6,3%	0,6%	11,8%	12,0%	12,0%
Non-earmarked Credit	**1.637,1**	**1.555,8**	**1.532,2**	**50,9%**	**50,1%**	**49,8%**	**-5,0%**	**-1,5%**	**27,3%**	**24,7%**	**24,3%**
Non-Financial Corporations	831,9	747,1	723,4	25,8%	24,1%	23,5%	-10,2%	-3,2%	13,9%	11,9%	11,5%
Households	805,3	808,8	808,8	25,0%	26,0%	26,3%	0,4%	0,0%	13,4%	12,9%	12,8%

Non-earmarked Credit (BCB) January 2016 *New Loans, Spread and Delinquency Rates*	Dec/15	Dec/16	Jan/17	% of Total Credit Dec/15	% of Total Credit Dec/16	% of Total Credit Jan/17	chg.% Dec/16 / Dec/15	chg.% Jan/17 / Dec/16	% of GDP Dec/15	% of GDP Dec/16	% of GDP Jan/17
New Loans (12-months accum. in R$ billions)	**3.186,8**	**2.979,6**	**2.987,6**	**100,0%**	**100,0%**	**100,0%**	**-6,5%**	**0,3%**	**53,1%**	**47,4%**	**59,8%**
Non-Financial Corporations	1.475,1	1.282,5	1.277,0	46,3%	43,0%	43,4%	-13,1%	-0,4%	24,6%	20,4%	25,9%
Households	1.711,7	1.697,2	1.710,6	53,7%	57,0%	56,6%	-0,8%	0,8%	28,5%	27,0%	33,9%
Spread (in pp per year)	**32,0**	**39,8**	**41,7**				**7,8 pp**	**2,0 pp**			
Non-Financial Corporations	15,0	16,3	18,1				1,3 pp	1,8 pp			
Households	48,2	59,5	61,2				11,3 pp	1,8 pp			
Delinquency (% non-performed loans by 90 days or more)	**5,3**	**5,7**	**5,7**				**0,4 pp**	**0,0 pp**			
Non-Financial Corporations	4,5	5,2	5,4				0,8 pp	0,1 pp			
Households	6,2	6,1	6,0				-0,1 pp	0,0 pp			

Total Earmarked and Non-earmarkerd Credit



Source: Central Bank of Brazil.

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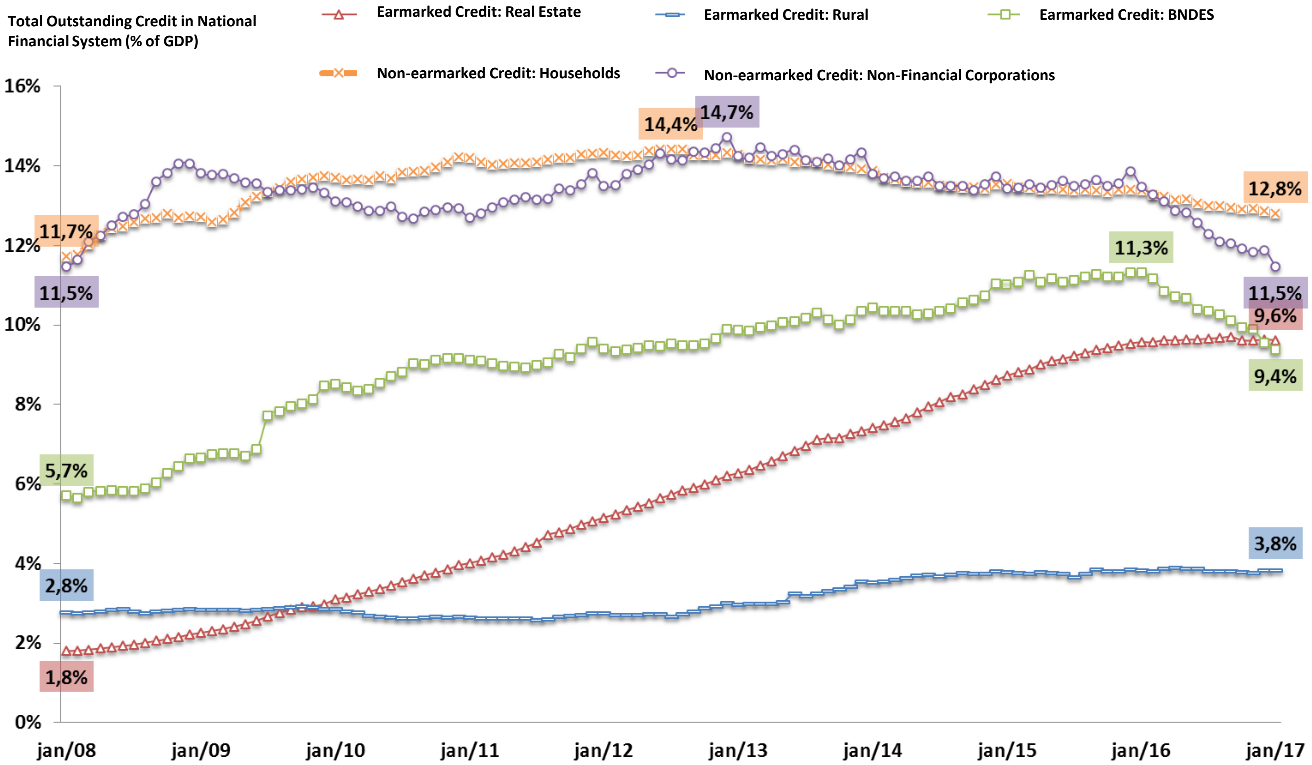
BRASIL BRAZILIAN GOVERNMENT

Total Credit Evolution by Major Segments



Source: Central Bank of Brazil.

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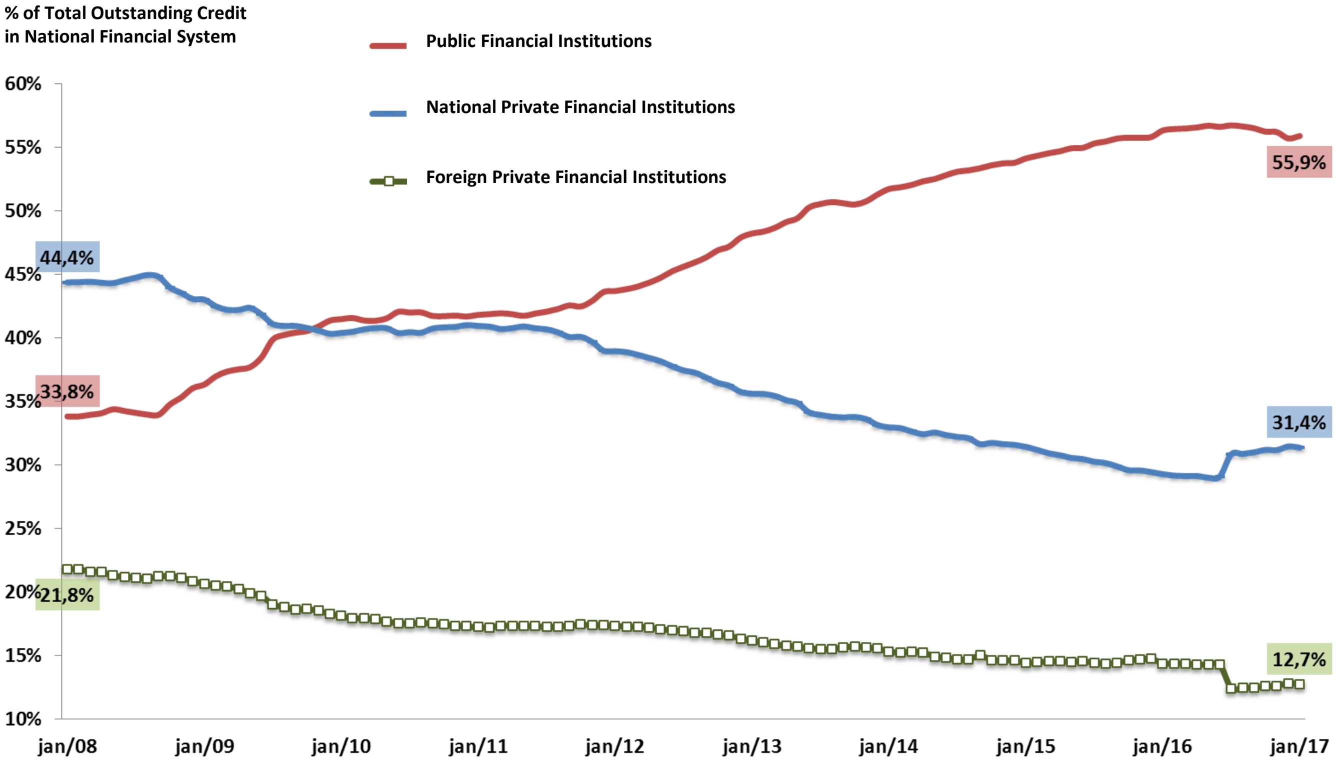
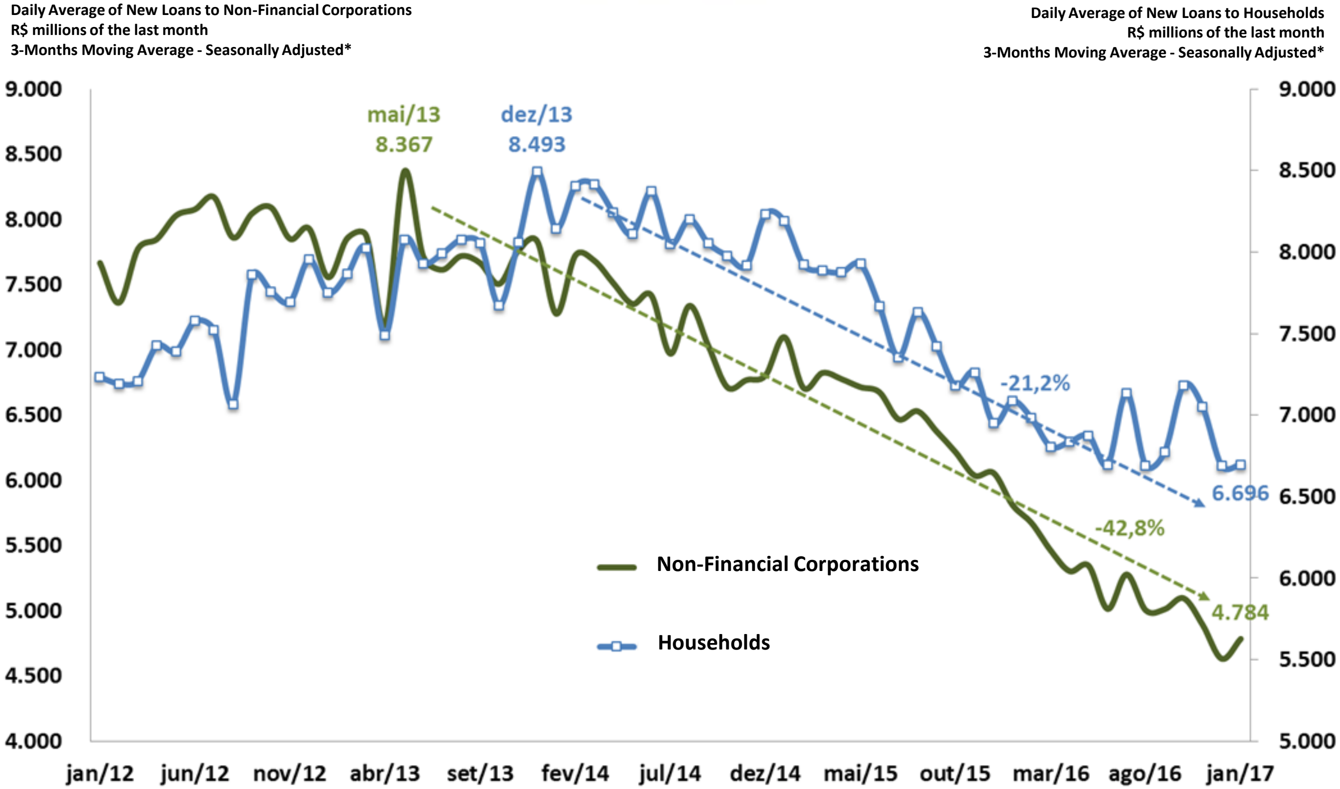
BRAZILIAN GOVERNMENT

Total Credit Evolution by Types of Financial Institutions



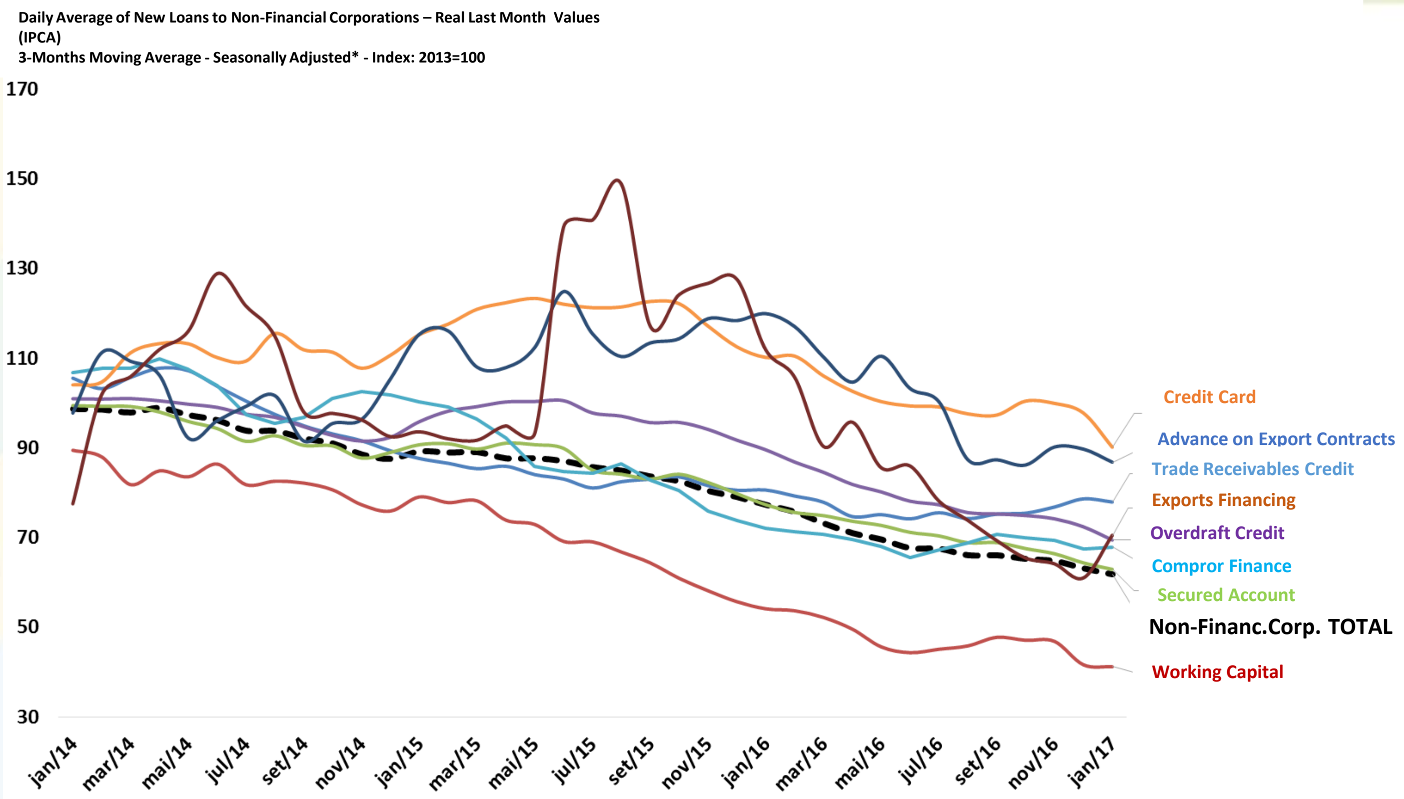
Source: Central Bank of Brazil.

New Loans to Households and Non-Financial Corporations



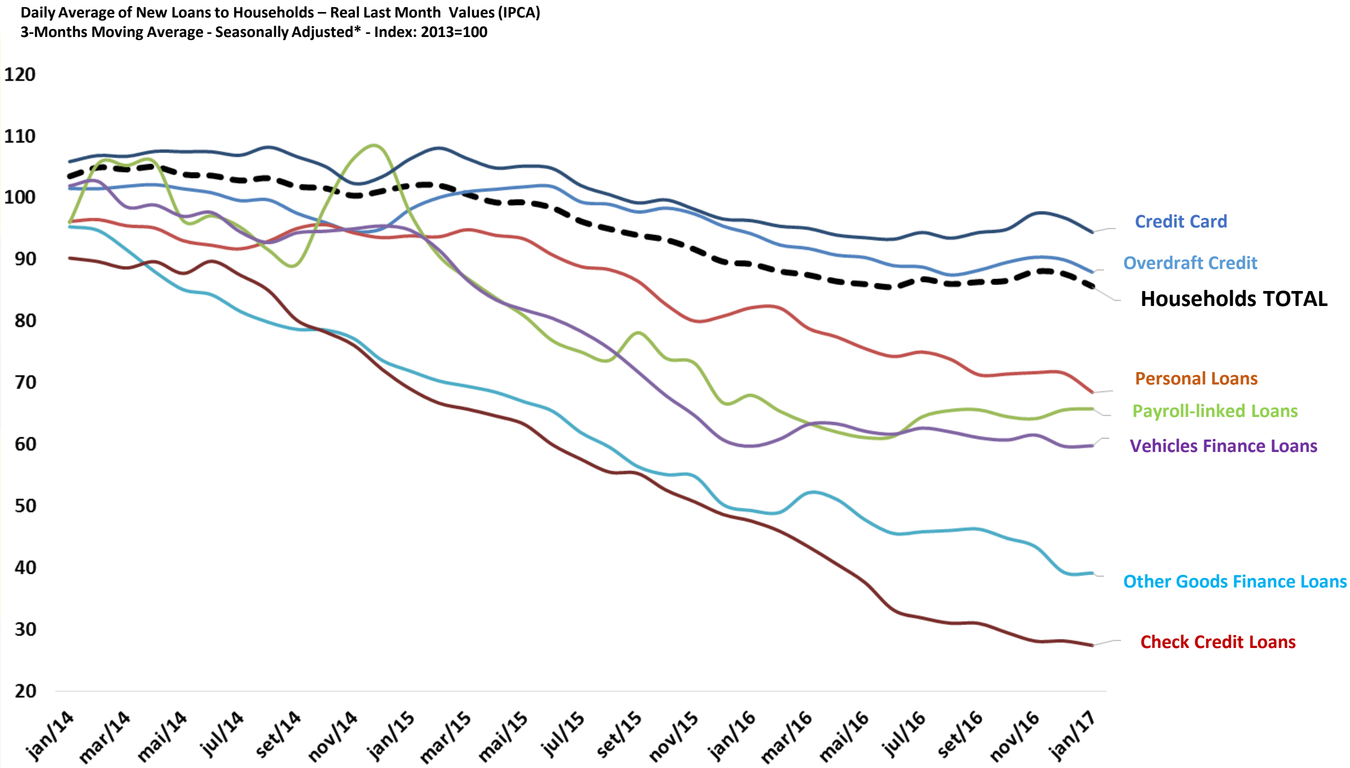
Source: Central Bank of Brazil. * Seasonally adjusted by SEPLAN/MP using X-13Arima-Seats/X12-Arima.

New Loans to Non-Financial Corp. by Types of Credit Lines



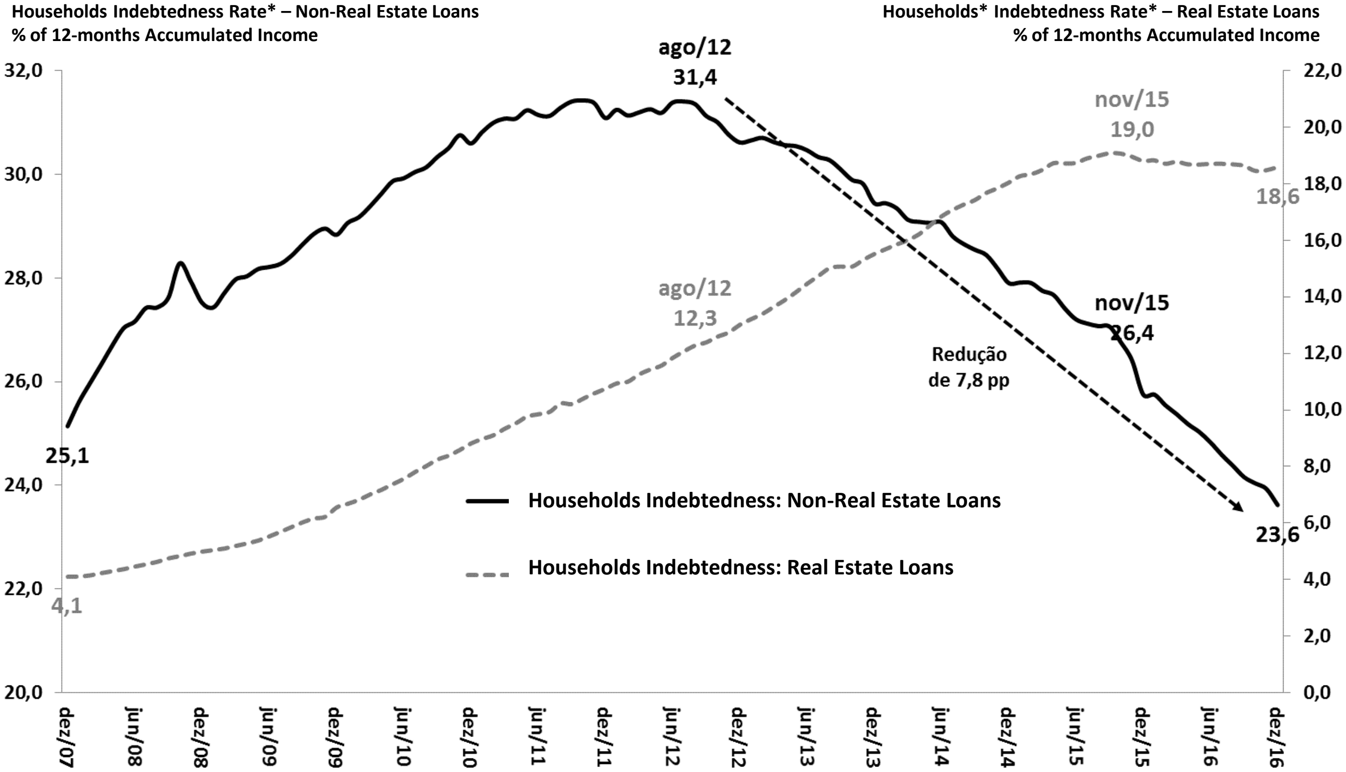
Source: Central Bank of Brazil. * Seasonally adjusted by SEPLAN/MP using X-13Arima-Seats/X12-Arima.

New Loans to Households by Types of Credit Lines



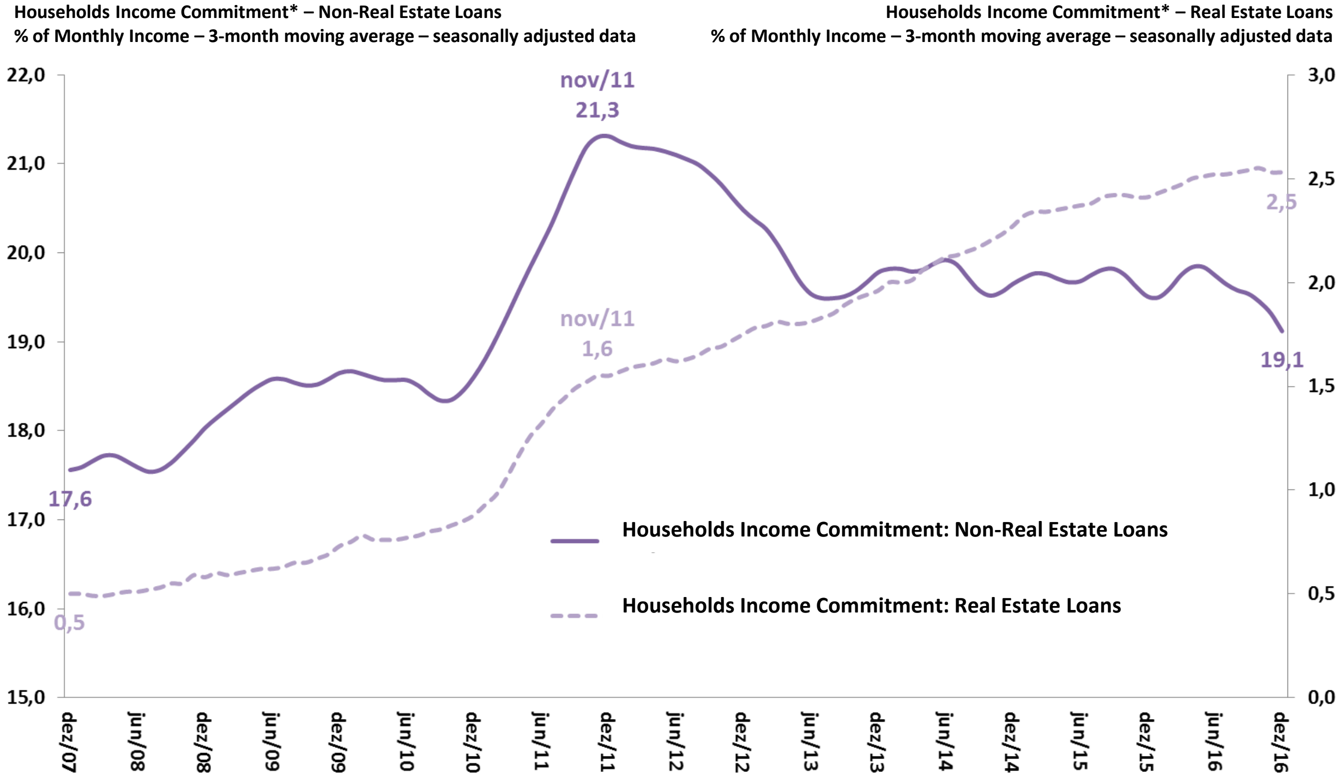
Source: Central Bank of Brazil. * Seasonally adjusted by SEPLAN/MP using X-13Arima-Seats/X12-Arima.

Households Indebtedness Rate



Source: Central Bank of Brazil. * Indebtedness rate = total outstanding debt / 12-months accumulated income.

Households Income Commitment



Source: Central Bank of Brazil. * Households Income Commitment = Loans Service Monthly Expenditure / Monthly Income.

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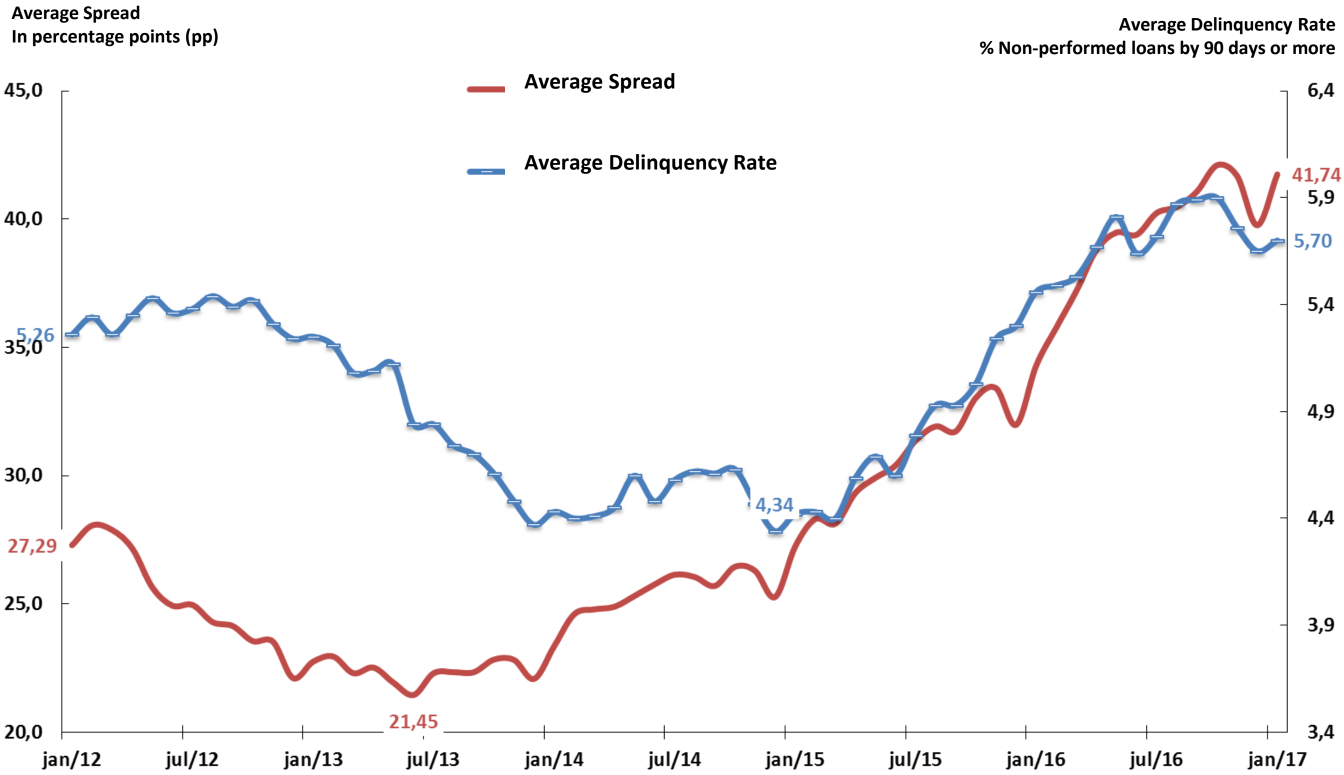
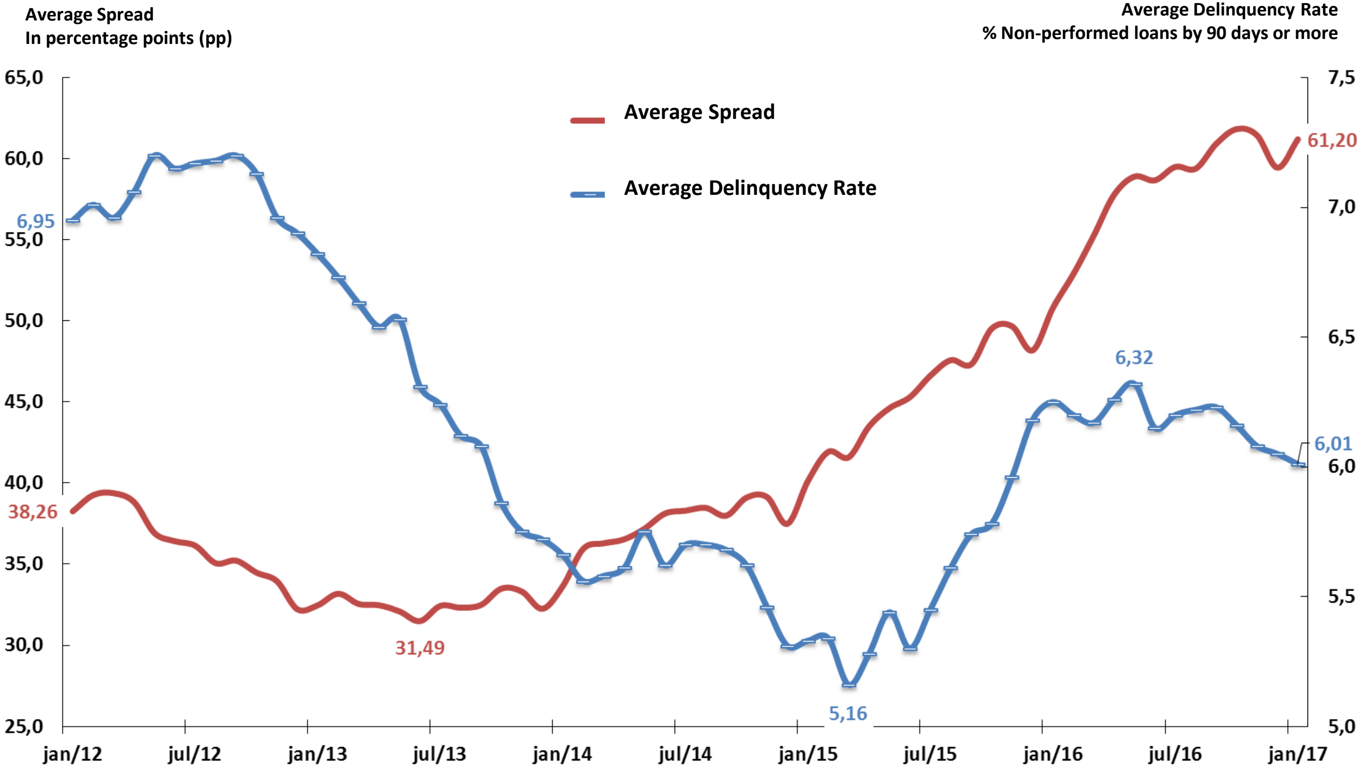
Non-earmarked Credit: Spread and Delinquency Rates



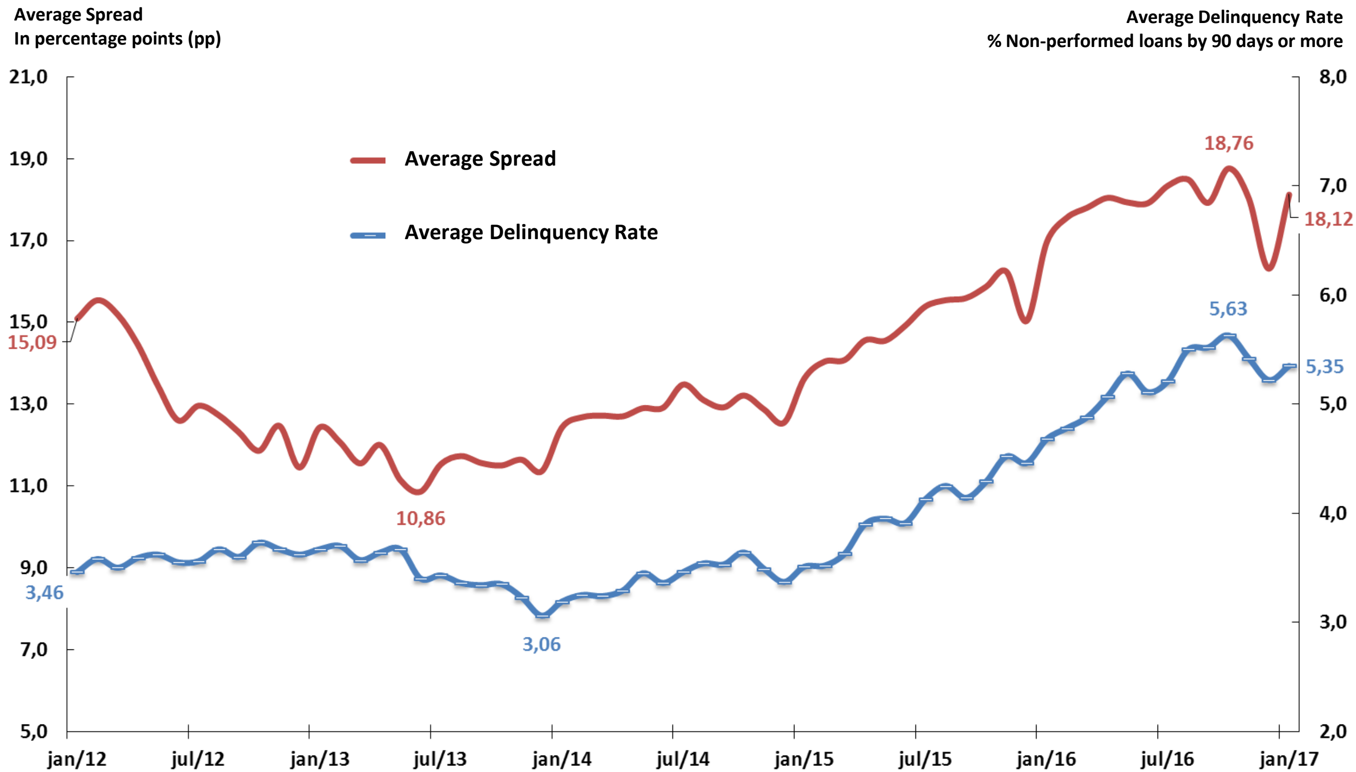
Source: Central Bank of Brazil.

Households Loans: Spread and Delinquency Rates



Source: Central Bank of Brazil.

Non-Financial Corp. Loans: Spread and Delinquency Rates



Source: Central Bank of Brazil.

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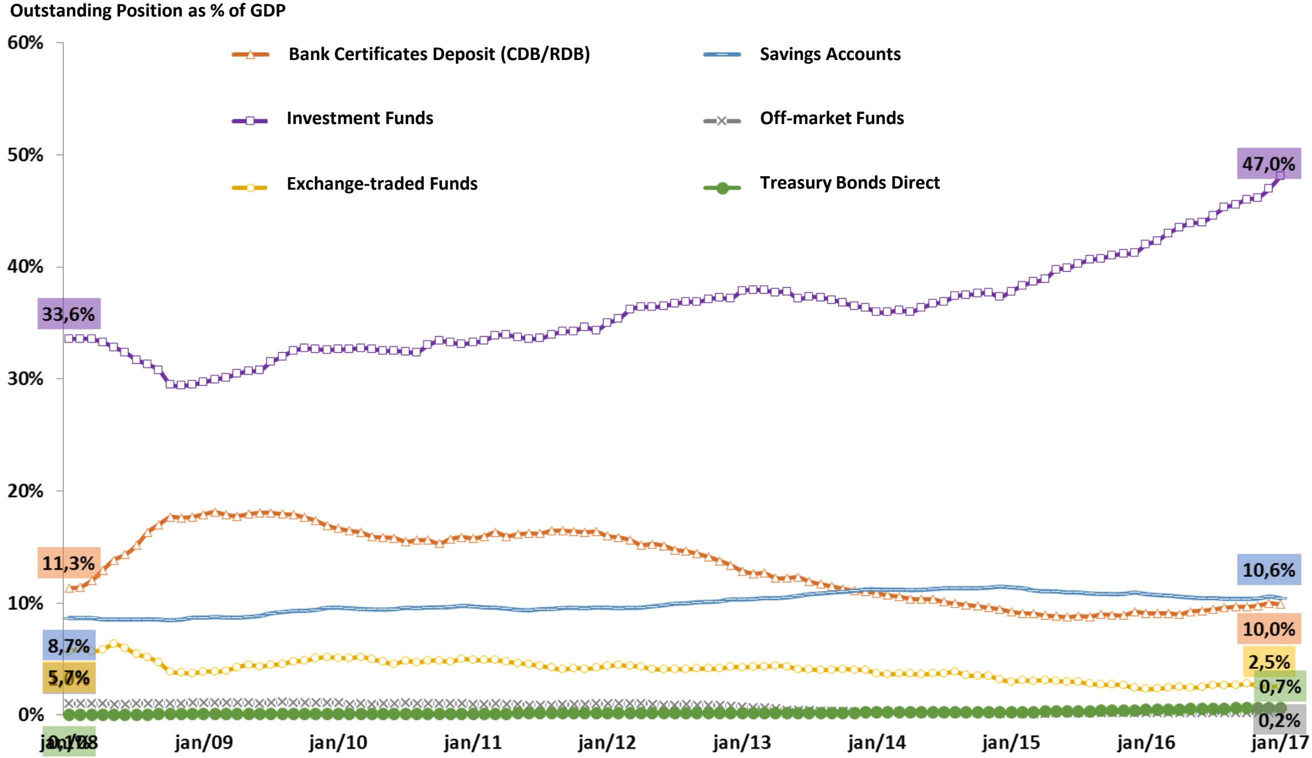
FINANCIAL MARKETS

Financial Markets

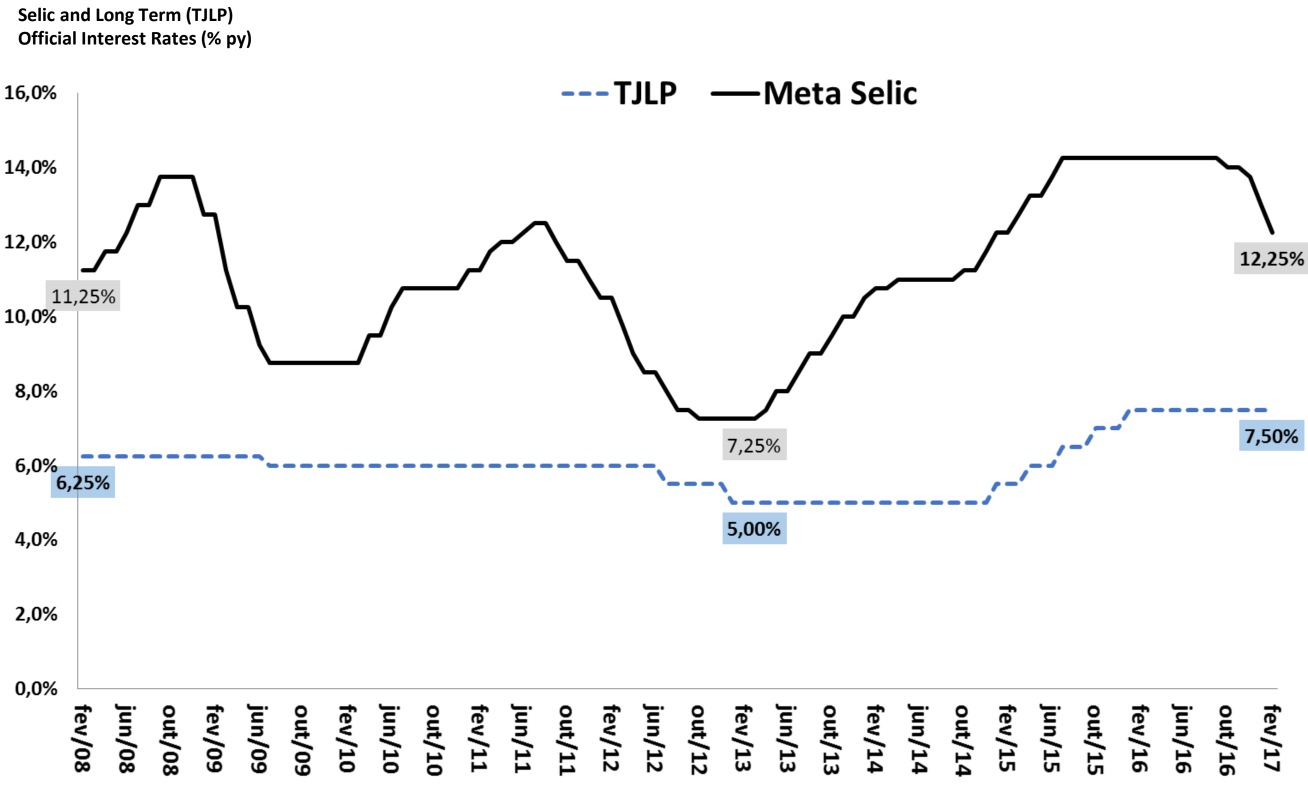
									BCB/Focus:		03/03/2017
Financial Savings (BCB) **January 2017** Outstanding Positions - in R$ billions	**Dec/15**	**Dec/16**	**Jan/16**	**Jan/17**	**chg.% Dec/15 / Dec/14**	**chg.% Dec/16 / Dec/15**	**chg.% Jan/17 / Dec/16**	**chg.% Jan/17 / Jan/16**			
Bank Certificates of Deposit (CDB/RDB)	552,1	627,4	546,3	623,3	1,1%	13,6%	-0,7%	14,1%			
Savings Accounts (Caderneta de Poupança)	656,6	665,0	648,6	658,6	-0,9%	1,3%	-1,0%	1,5%			
Investment Funds	2.473,0	2.953,4	2.522,9	3.035,8	14,7%	19,4%	2,8%	20,3%			
Off-market Funds (Fundos Extramercado)	11,9	14,9	13,2	15,4	19,7%	25,0%	3,4%	16,8%			
Exchange-traded Funds	144,1	158,1	139,9	163,9	-21,0%	9,7%	3,7%	17,2%			
Treasury Bonds Direct (Tesouro Direto)	25,6	41,1	26,8	41,7	67,3%	60,5%	1,6%	55,9%			
BM&F-Bovespa - listed companies value as % of GDP	31,9%	39,2%	30,0%	41,5%	-6,95 pp	7,37 pp	2,31 pp	11,54 pp			
Capital Market (CVM) **January 2017** New Public Offering - in R$ billions	**2015**	**2016**	**YTD 2016**	**YTD 2017**	**chg.% 2015 / 2014**	**chg.% 2016 / 2015**	**chg.% YTD 2017 / 2016**	**chg.% YTD 2017 / YTD 2016**			
Stocks	16,1	0,5	0,0	0,0	6,7%	-96,7%	-100,0%	-			
Debentures	20,6	21,9	0,0	0,0	461,8%	5,9%	-100,0%	-			
Promissory Notes	0,0	0,0	0,0	0,0	-	-	-	-			
Housing Credit-backed Securities (CRI)	3,9	11,3	0,0	0,0	70,0%	191,9%	-100,0%	-			
Investment Funds - new shares	5,8	2,1	0,3	0,6	21,8%	-63,5%	-71,6%	73,5%			
Monet Market (BCB) **January 2017**	**Dec/15**	**Dec/16**	**Jan/16**	**Jan/17**	**chg.% Dec/15 / Dec/14**	**chg.% Dec/16 / Dec/15**	**chg.% Jan/17 / Dec/16**	**chg.% Jan/17 / Jan/16**	**2017**	**2018**	**2019**
Interest Rates											
Selic target rate (% py)	**14,25**	**13,75**	**14,25**	**13,00**	**2,5 pp**	**-0,5 pp**	**-0,8 pp**	**-1,3 pp**	**9,25%**	**9,00%**	**9,00%**
Selic market rate (% py)	**14,15**	**13,65**	**14,15**	**13,17**	**2,6 pp**	**-0,5 pp**	**-0,5 pp**	**-1,0 pp**			
TJLP (% py)	7,00	7,50	7,50	7,50	2,0 pp	0,5 pp	0,0 pp	0,0 pp			
CDI (% py)	14,14	13,63	14,14	13,15	2,6 pp	-0,5 pp	-0,5 pp	-1,0 pp			
Swap DI-Pre 180 days (% py)	15,18	12,45	14,38	11,65	2,6 pp	-2,7 pp	-0,8 pp	-2,7 pp			
Swap DI-Pre 360 days (% py)	15,86	11,56	14,57	10,83	2,9 pp	-4,3 pp	-0,7 pp	-3,7 pp			
Brazil Sovereign Risk (BCB) **February 2017** Monthly Average (in basis points)	**Dec/15**	**Dec/16**	**Feb/16**	**Feb/17**	**chg. pp Dec/15 / Dec/14**	**chg. pp Dec/16 / Dec/15**	**chg. pp Feb/17 / Dec/16**	**chg. pp Feb/17 / Feb/16**			
5 years CDS	523	328	502	277	264,0 pp	-195,0 pp	-51,0 pp	-225,0 pp			
10 years CDS	495	281	460	224	294,2 pp	-214,2 pp	-57,0 pp	-235,9 pp			
EMBI+ (JPMorgan)	558	360	532	314	298,8 pp	-198,7 pp	-45,1 pp	-218,1 pp			

Major Financial Savings Instruments Evolution



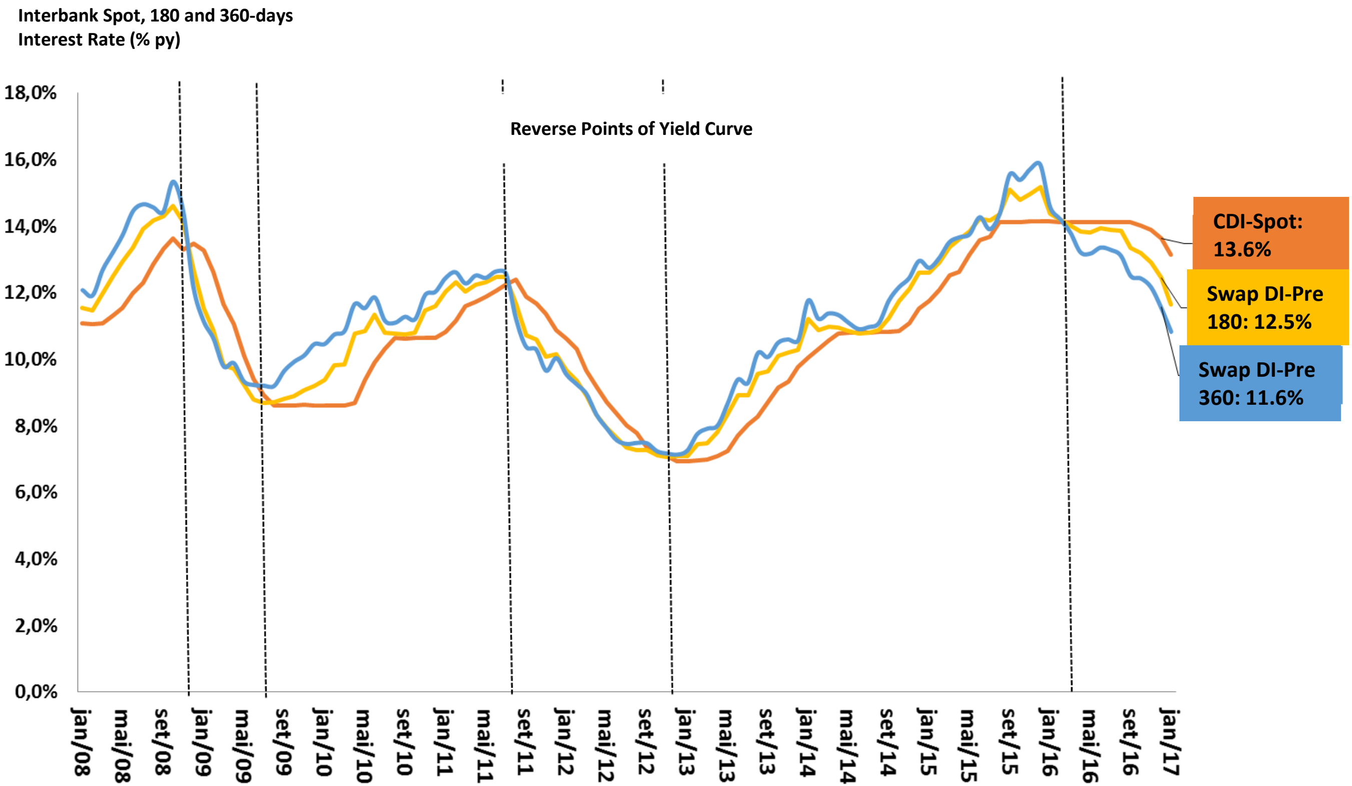
Source: Central Bank of Brazil.

Official Interest Rates Evolution (Target Selic and TJLP)



Source: Central Bank of Brazil.

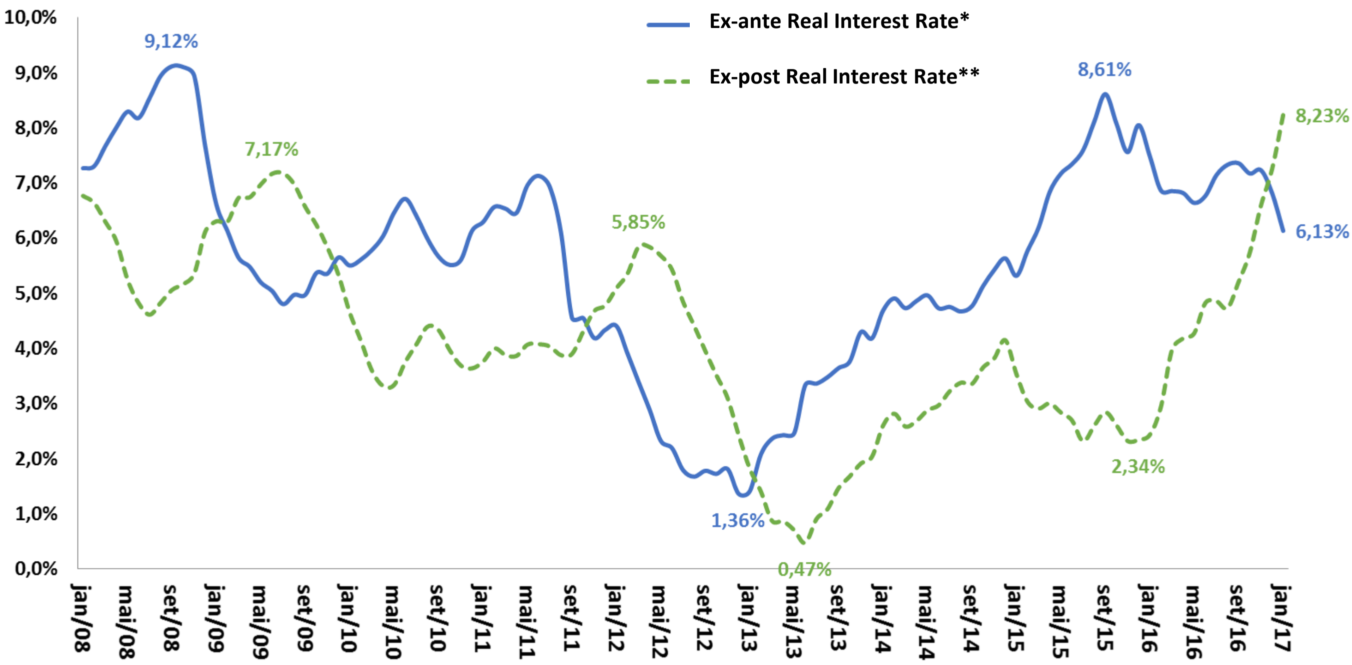
Term Structure of Interbank Interest Rate Evolution



Source: Central Bank of Brazil.

Ex-ante and Ex-post Real Interest Rates Evolution

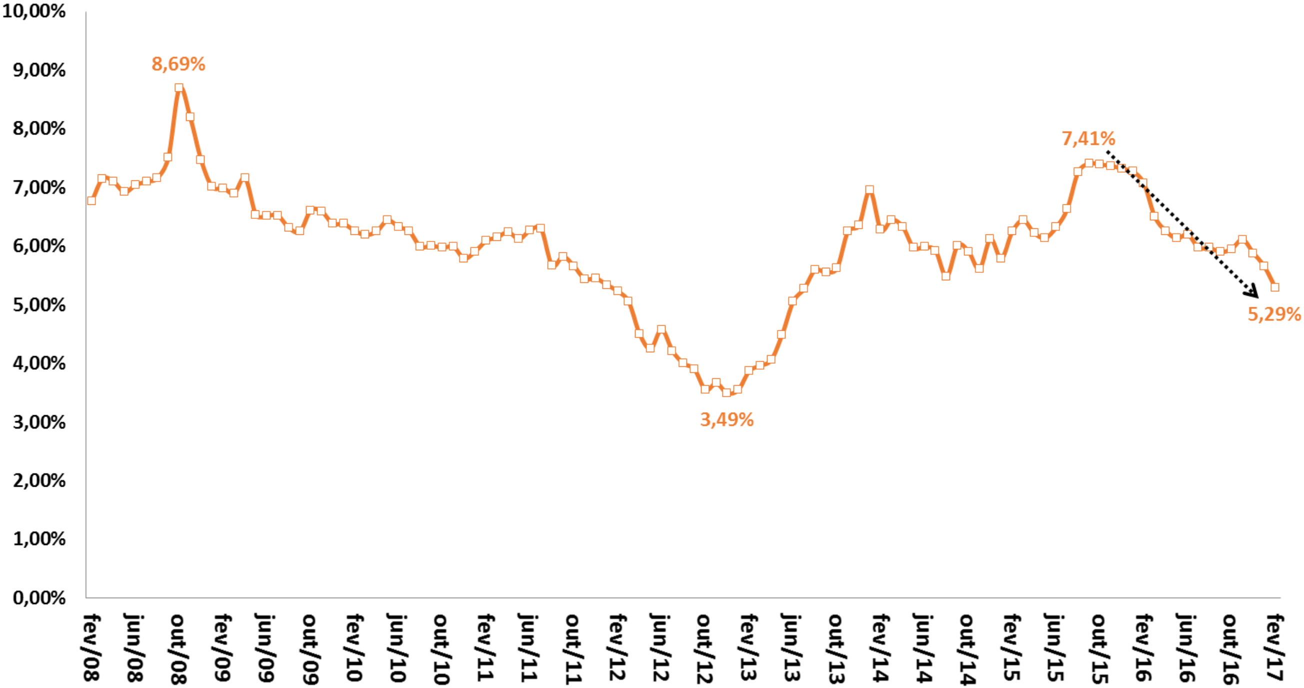
Ex-ante and Ex-post Real (Interbank CDI/IPCA)
Interest Rates (% py)



Source: Central Bank of Brazil.
* Ex-ante Real Interest Rate = Expected Interbank CDI/IPCA ratio, considering 360-days Swap DI-Pre rate and IPCA median of BCB-Focus Survey.
** Ex-post Real Interest Rate = Observed 12-months accumulated CDI/IPCA ratio.

Implicit Real Interest Rate of Domestic Federal Bond (NTN-B)

NTN-B 2024*
Real Interest Rate (% py) – End Of Month



Source: STN/MF. * Interest rate paid by the NTN-B 2024 besides the IPCA inflation rate.

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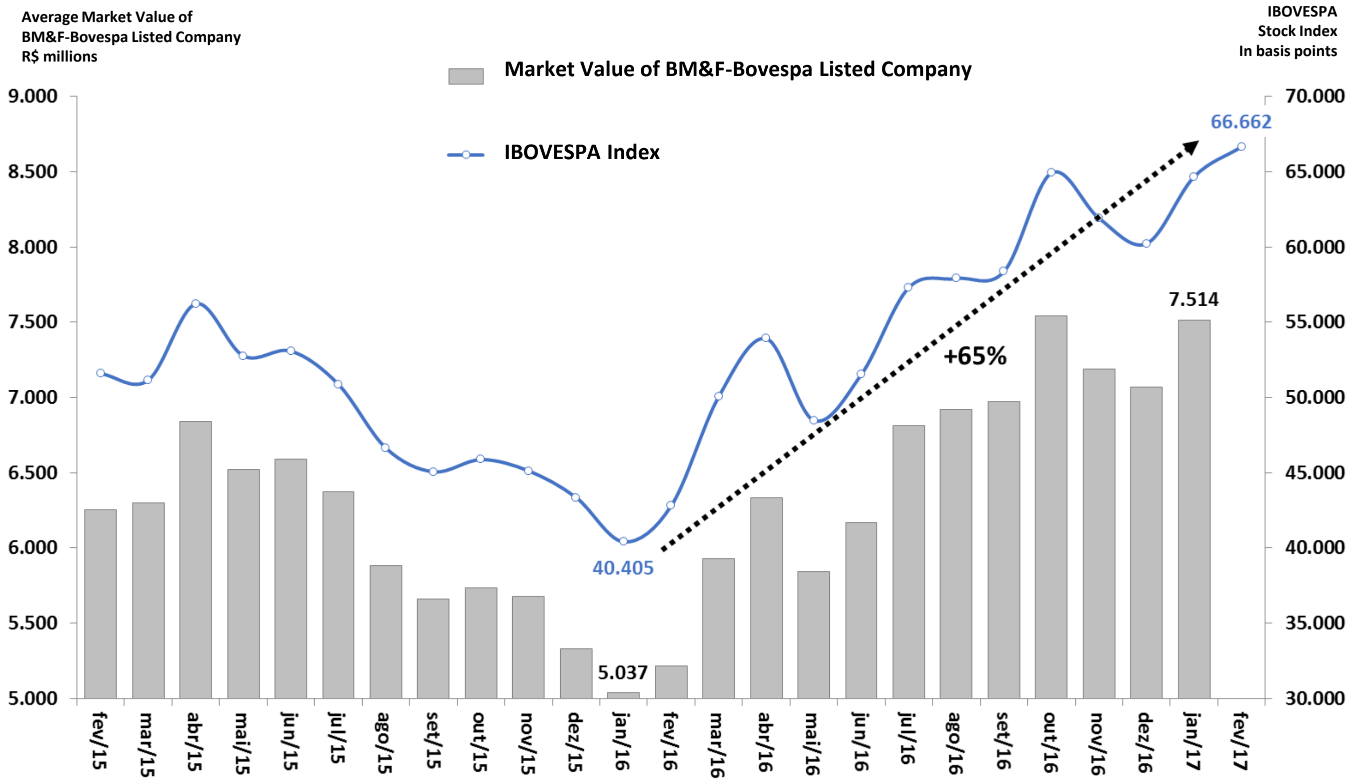
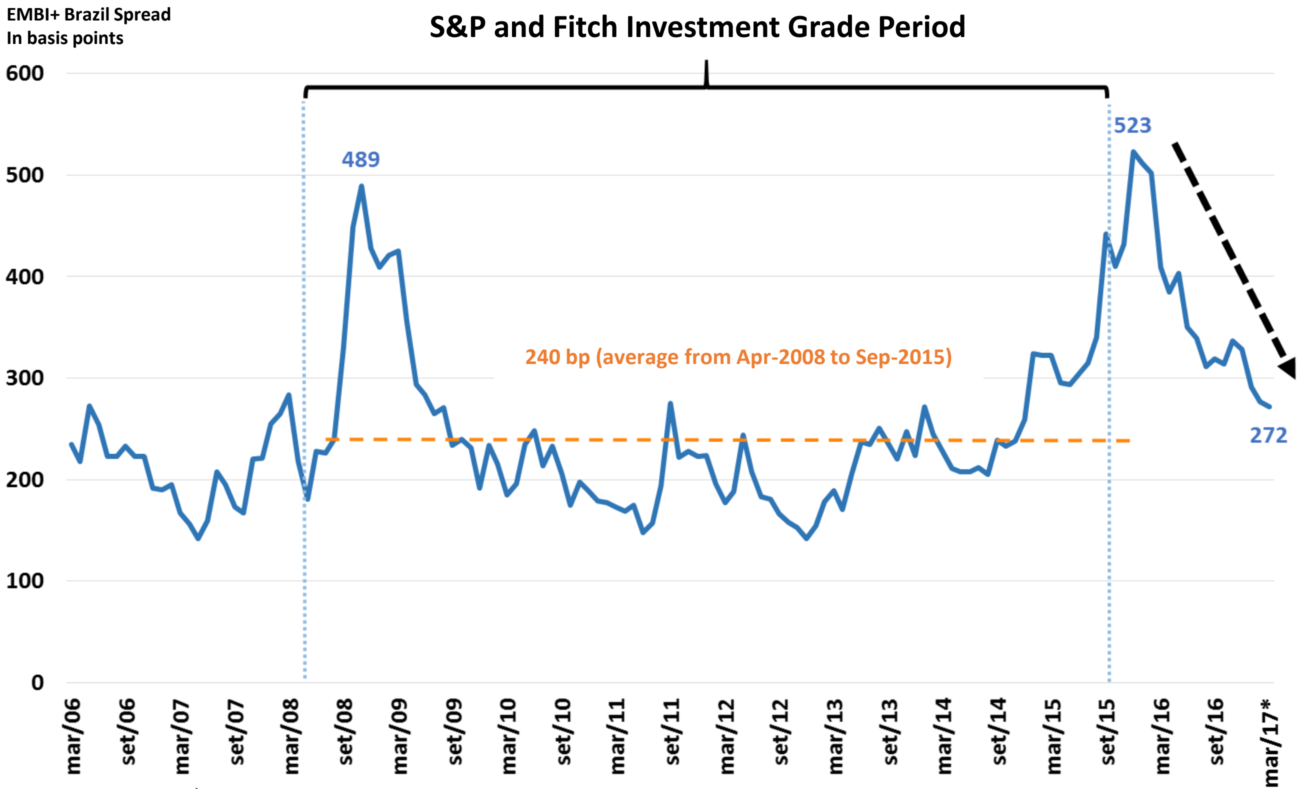
Brazilian Stock Market Evolution



Source: Central Bank of Brazil.

Sovereign Risk Perception Evolution



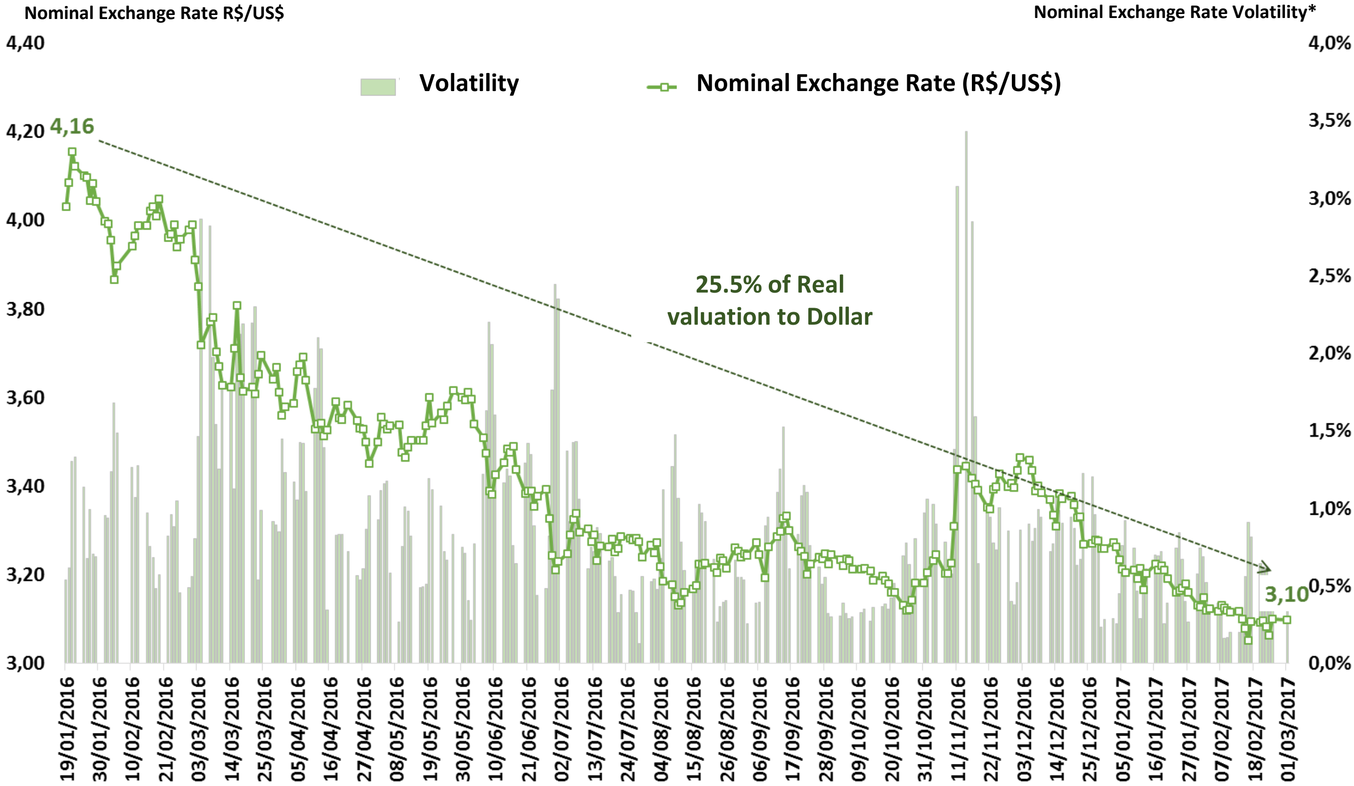
Source: JPMorgan. *6th March 2017 value.

FOREIGN TRADE

Foreign Trade

										BCB/Focus:	03/03/2017	
Exchange Rate Indicators (BCB) **January 2017** FX % change rate: valuation (-) or devaluation (+) of Real	**2015**	**2016**	**chg.% Nov/16 / Nov/15**	**chg.% Dec/16 / Dec/15**	**chg.% Jan/17 / Jan/16**	**YTD 2017**	**Nov/16 accum. in 12-months**	**Dec/16 accum. in 12-months**	**Jan/17 accum. in 12-months**	**Average FX Rate 2017**	**Average FX Rate 2018**	**Average FX Rate 2019**
Nominal Exchange Rate (R$/US$) - sell - end of period **month value: 3,13**	**43,5%**	**1,8%**	**-11,8%**	**-16,5%**	**-22,7%**	**-22,7%**	**6,7%**	**1,8%**	**-3,7%**	**3,30**	**3,40**	**3,50**
Real Effective Exchange Rate (IPCA)	22,1%	-5,1%	-18,3%	-19,1%	-24,1%	-24,1%	-1,6%	-5,1%	-9,3%			
Exchange Rate / Wage Ratio adjusted by Labor Productivity	26,8%	-15,6%	-21,0%	-17,6%	-23,0%	-23,0%	-13,0%	-15,6%	-18,7%			
Unitary Labor Cost in US$	-21,7%	2,6%	15,5%	12,5%	23,2%	23,2%	-0,4%	2,6%	7,1%			
Foreign Trade of Goods (FUNCEX) **January 2017** Average Price and Quantum	**2015**	**2016**	**chg.% Nov/16 / Nov/15**	**chg.% Dec/16 / Dec/15**	**chg.% Jan/17 / Jan/16**	**YTD 2017**	**Nov/16 accum. in 12-months**	**Dec/16 accum. in 12-months**	**Jan/17 accum. in 12-months**			
QUANTUM												
Exports (X)	**8,3%**	**3,6%**	**11,8%**	**-14,6%**	**10,8%**	**10,8%**	**6,9%**	**3,6%**	**4,1%**			
Basic Goods	13,2%	-2,5%	-11,6%	-23,0%	6,6%	6,6%	0,6%	-2,5%	-2,6%			
Semi-Manufactured	8,5%	9,8%	8,1%	-8,0%	22,4%	22,4%	13,0%	9,8%	12,2%			
Manufactured	2,3%	8,9%	38,4%	-9,8%	11,5%	11,5%	12,6%	8,9%	9,5%			
	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%			
Imports (M)	**-15,1%**	**-12,6%**	**-6,6%**	**13,9%**	**19,3%**	**19,3%**	**-15,9%**	**-12,6%**	**-8,8%**			
Intermediate Goods	-16,3%	-7,5%	6,4%	28,5%	40,2%	40,2%	-11,4%	-7,5%	-1,8%			
Capital Goods	-16,6%	-18,6%	-25,2%	-5,3%	-32,2%	-32,2%	-20,1%	-18,6%	-19,5%			
Consumer Durable Goods	-27,6%	-36,1%	-2,1%	0,9%	18,7%	18,7%	-39,4%	-36,1%	-32,6%			
Consumer Semi and Non-Durable Goods	-6,5%	-11,7%	4,1%	30,0%	9,6%	9,6%	-15,8%	-11,7%	-9,4%			
Fuel and Lubricants	-11,4%	-22,4%	-41,9%	-27,1%	10,3%	10,3%	-23,2%	-22,4%	-19,7%			
Exports Profitability Index	**2,0%**	**-8,2%**	**-7,2%**	**-7,7%**	**-7,9%**	**-7,9%**	**-7,5%**	**-8,2%**	**-9,5%**			
Quantum Ratio = average quantum X / average quantum M	**29,3%**	**15,6%**	**15,2%**	**-25,0%**	**-6,1%**	**-6,1%**	**25,4%**	**15,6%**	**12,0%**			
PRICE												
Exports (X)	**-21,6%**	**-6,5%**	**5,3%**	**11,6%**	**19,6%**	**19,6%**	**-9,4%**	**-6,5%**	**-3,3%**			
Basic Goods	-29,7%	-6,5%	7,0%	18,1%	34,5%	34,5%	-10,3%	-6,5%	-1,7%			
Semi-Manufactured	-16,1%	-4,2%	12,6%	17,8%	14,1%	14,1%	-7,5%	-4,2%	-1,5%			
Manufactured	-11,3%	-6,9%	2,8%	4,0%	5,7%	5,7%	-8,5%	-6,9%	-5,3%			
	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%			
Imports (M)	**-11,9%**	**-8,2%**	**-2,8%**	**-4,2%**	**-1,0%**	**-1,0%**	**-8,8%**	**-8,2%**	**-7,2%**			
Intermediate Goods	-6,4%	-7,3%	-4,6%	-6,3%	-3,0%	-3,0%	-7,3%	-7,3%	-7,0%			
Capital Goods	-5,3%	-2,5%	3,7%	-11,7%	-2,1%	-2,1%	-1,6%	-2,5%	-2,2%			
Consumer Durable Goods	-4,6%	-3,9%	-2,3%	9,7%	5,2%	5,2%	-5,6%	-3,9%	-2,4%			
Consumer Semi and Non-Durable Goods	-7,5%	-2,1%	-5,7%	-5,9%	-1,9%	-1,9%	-1,6%	-2,1%	-1,8%			
Fuel and Lubricants	-37,9%	-25,6%	-8,6%	15,2%	16,3%	16,3%	-30,2%	-25,6%	-20,9%			
Terms of Trade = average price X / average price M	**-11,0%**	**1,8%**	**8,3%**	**16,5%**	**20,8%**	**20,8%**	**-0,5%**	**1,8%**	**4,3%**			

Daily Nominal Exchange Rate R$/US$



Source: Central Bank of Brazil. *Volatility = 5-days Moving Coefficient of Variation.

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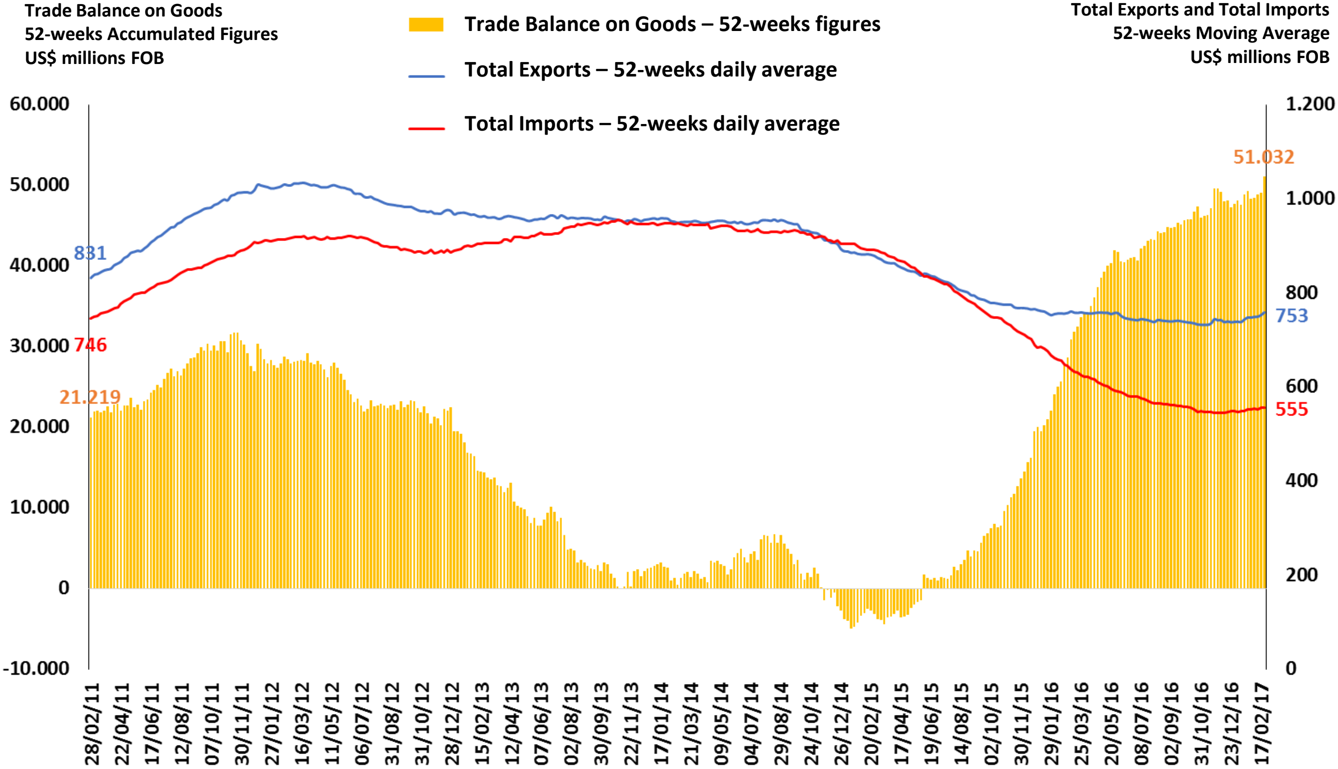
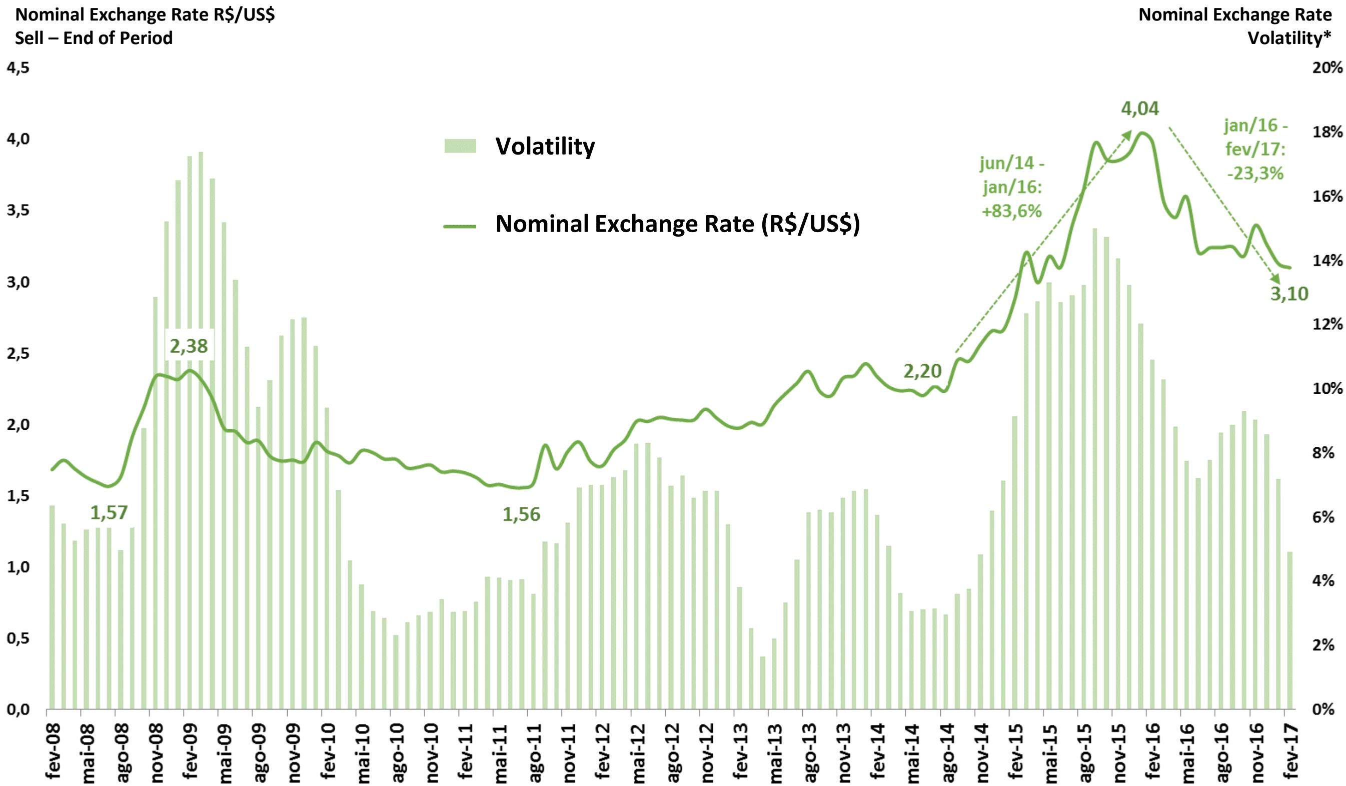
Weekly Trade Balance on Goods



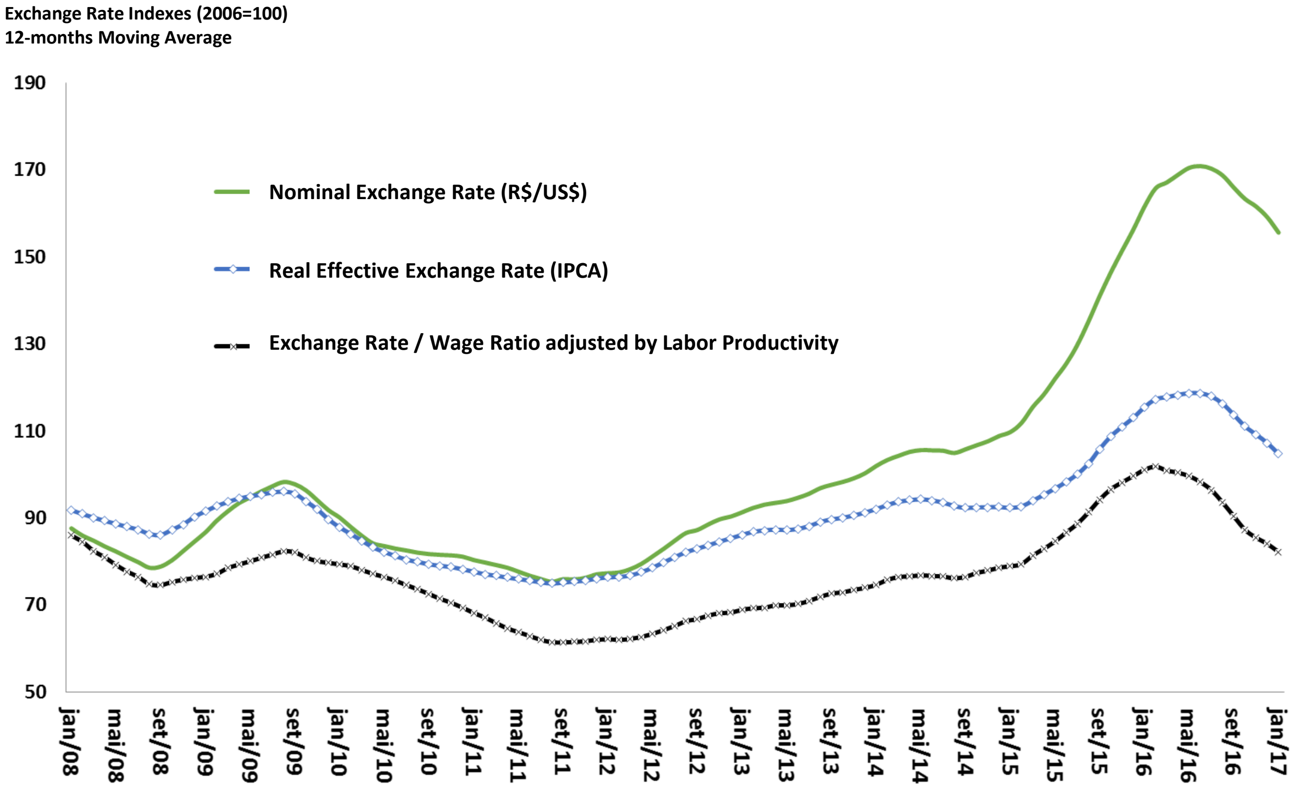
Source: SECEX/MDIC.

Monthly Nominal Exchange Rate R$/US$



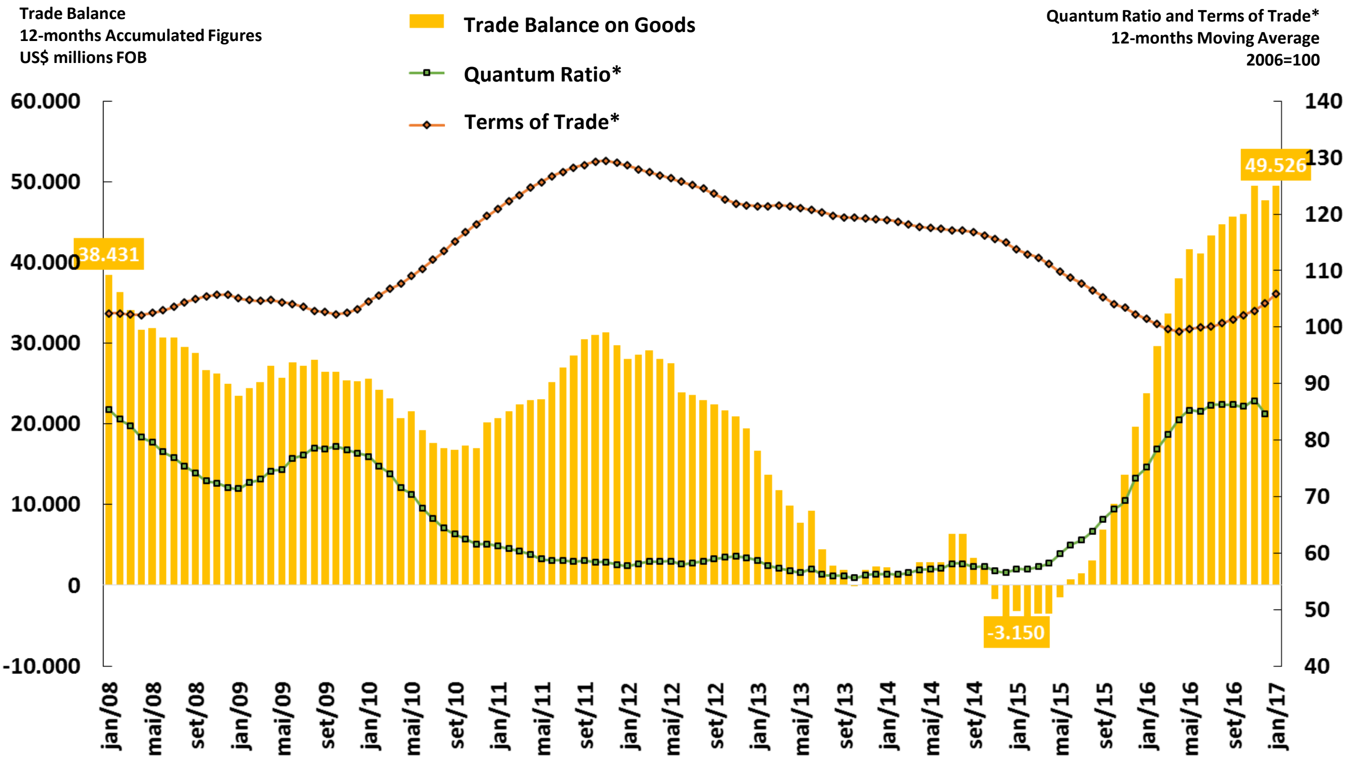
Source: Central Bank of Brazil. *Volatility = 12-months Moving Coefficient of Variation.

Exchange Rate Indexes



Source: Central Bank of Brazil.

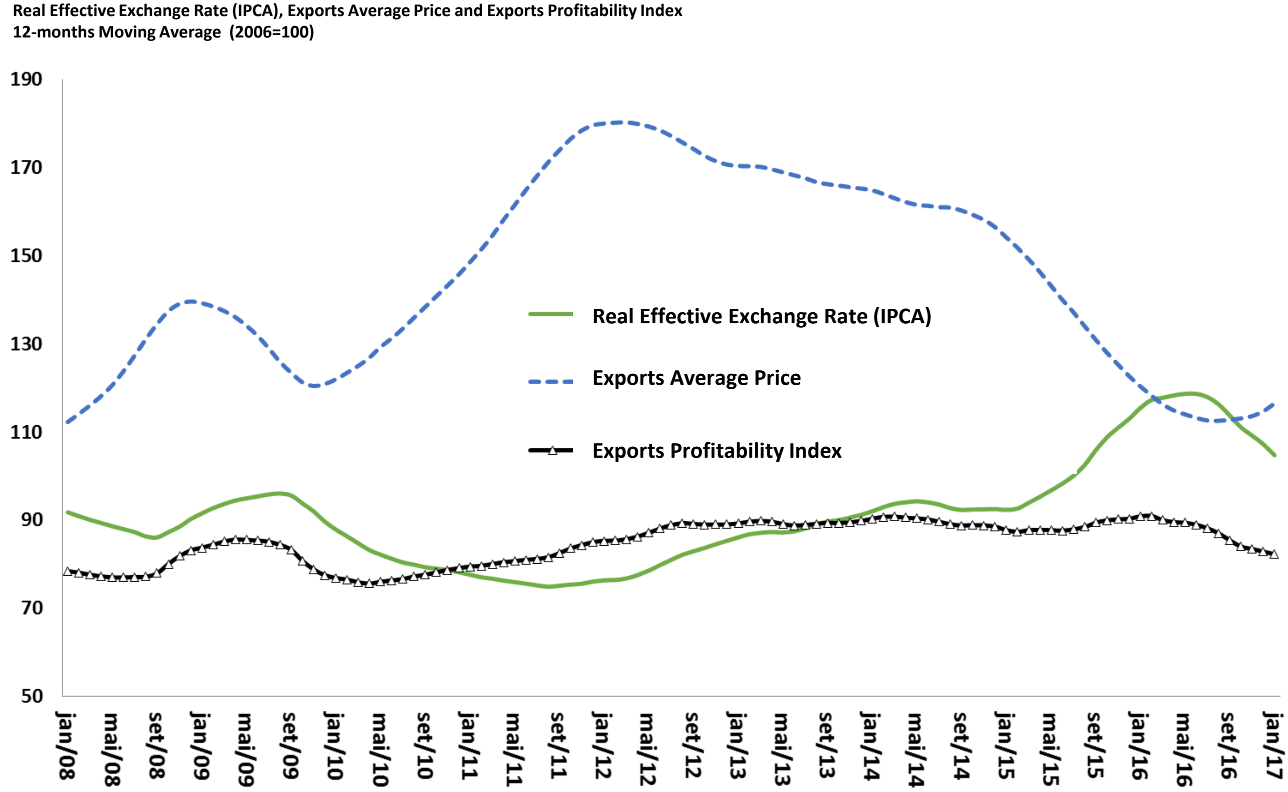
Trade Balance, Quantum and Terms of Trade Ratios



Sources: SECEX/MDIC and FUNCEX.

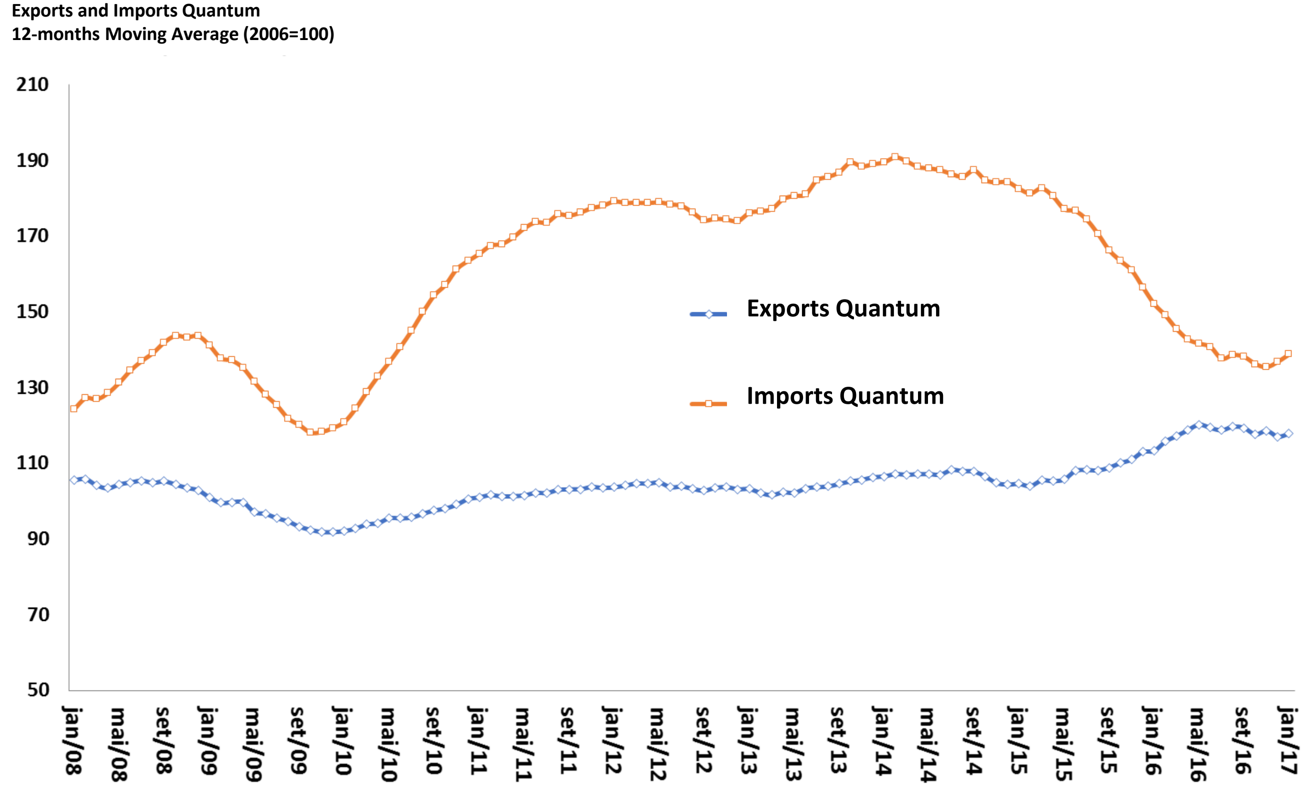
* Quantum Ratio = (average quantum Exports / average quantum Imports) and Terms of Trade = (average price Exports / average price Imports)

Exports: Profitability, Price and Real Exchange Rate



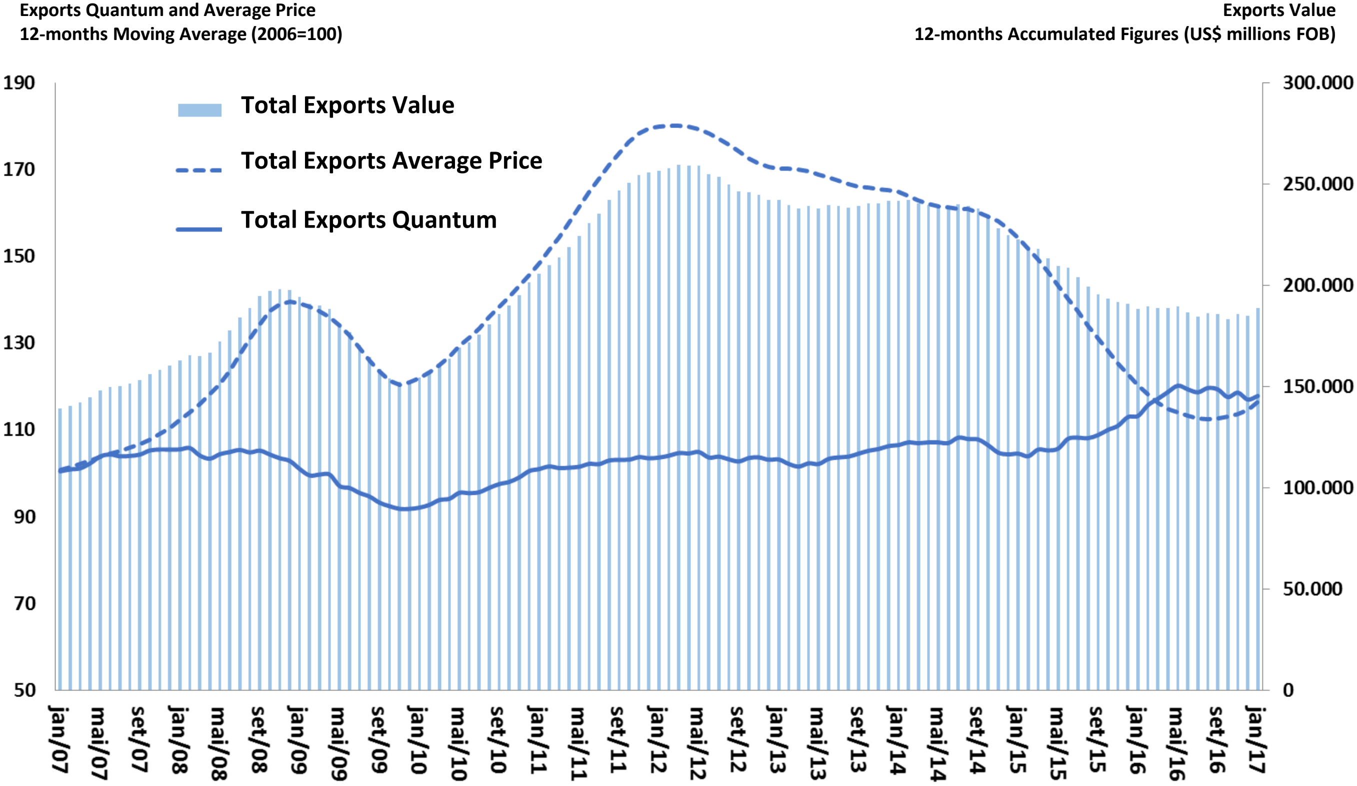
Sources: Central Bank of Brazil and FUNCEX.

Quantum of Exports and Imports



Source: FUNCEX.

Total Exports: value, quantum and price



Sources: SECEX/MDIC and FUNCEX.

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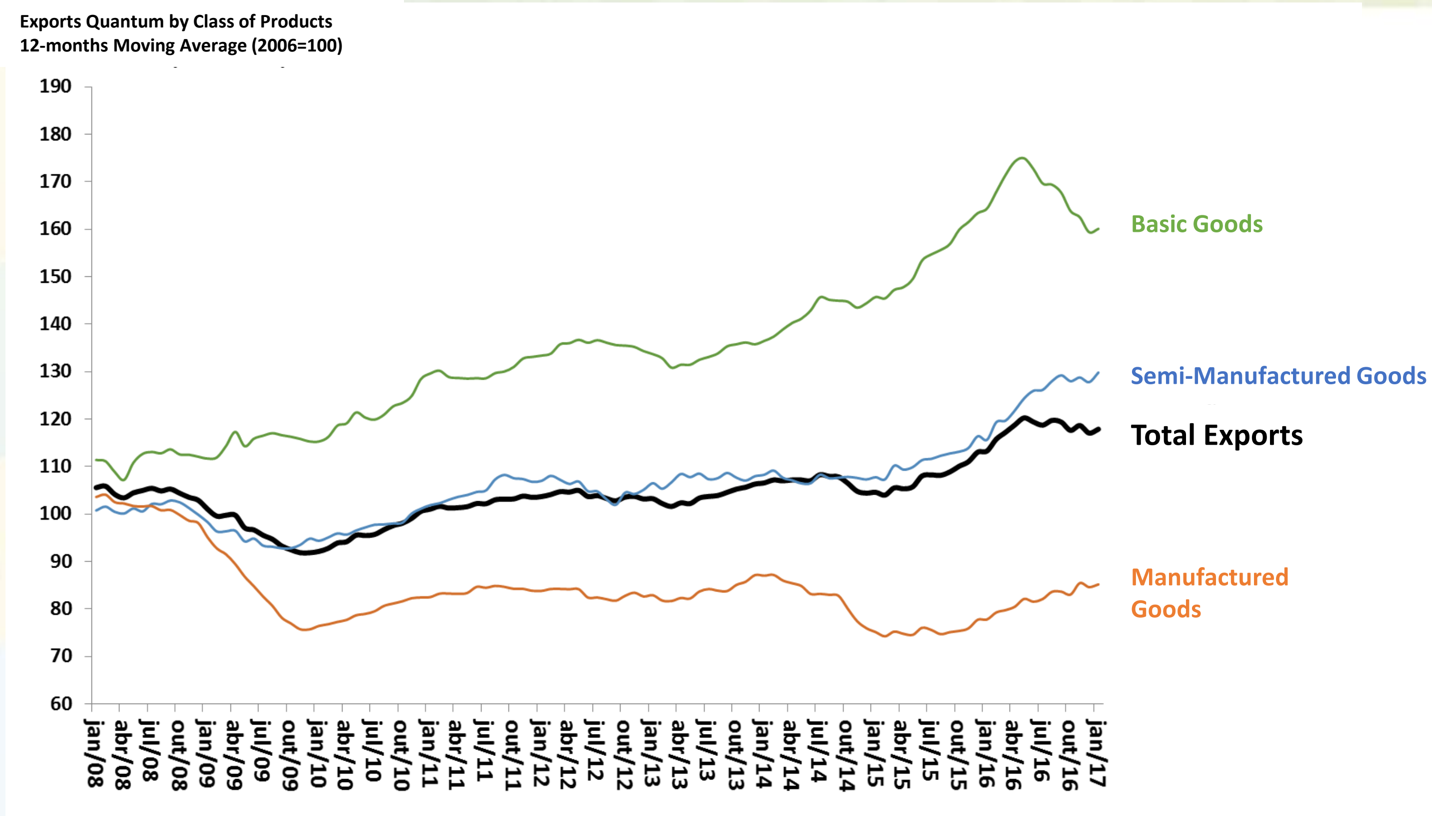
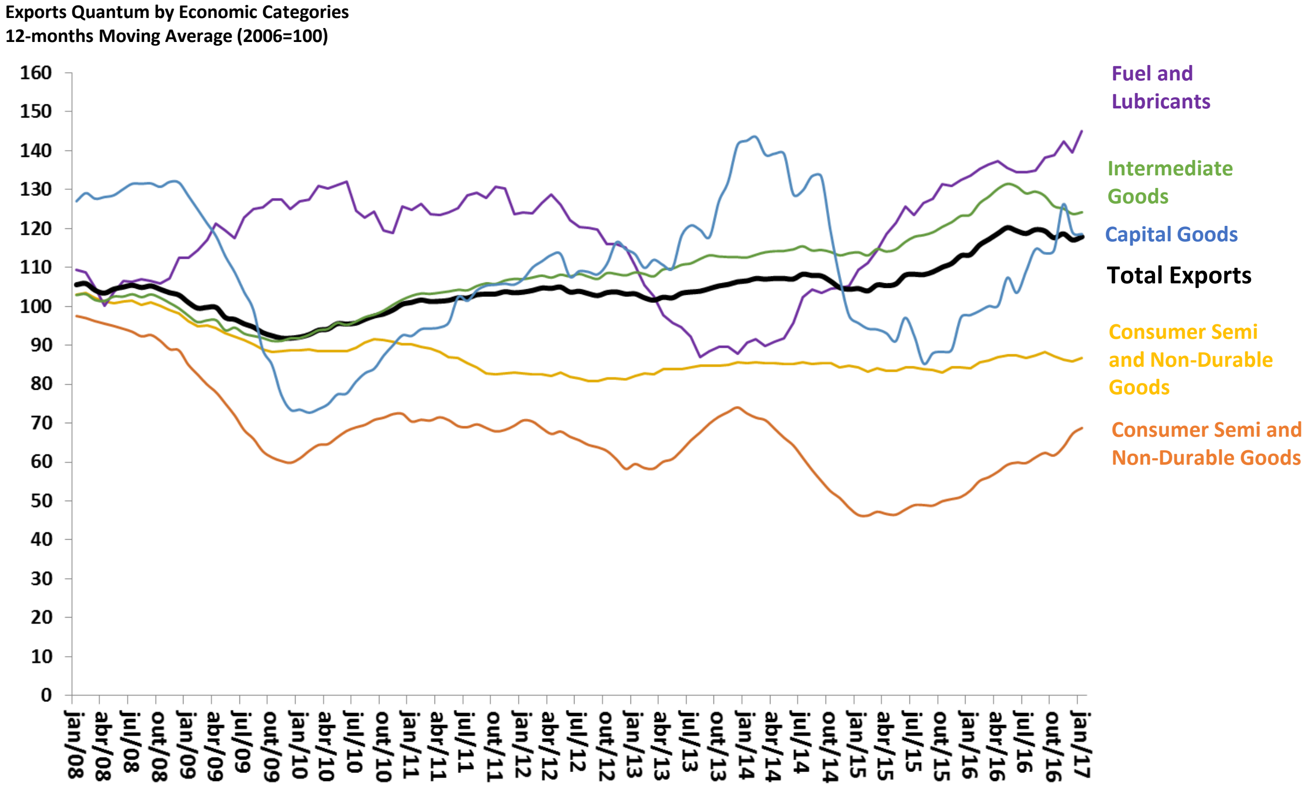
Quantum of Total Exports and by Class of Products



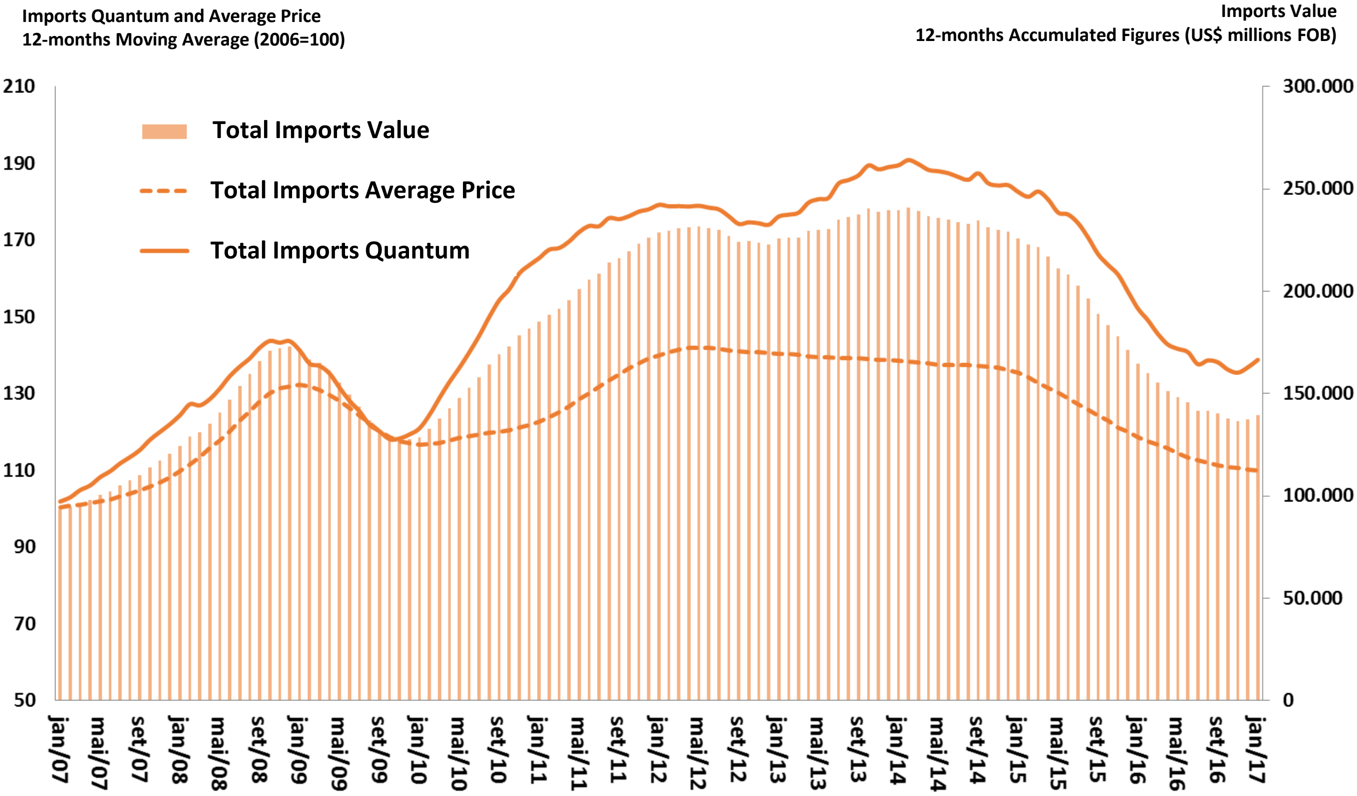
Source: FUNCEX.

Quantum of Total Exports and by Economic Categories



Source: FUNCEX.

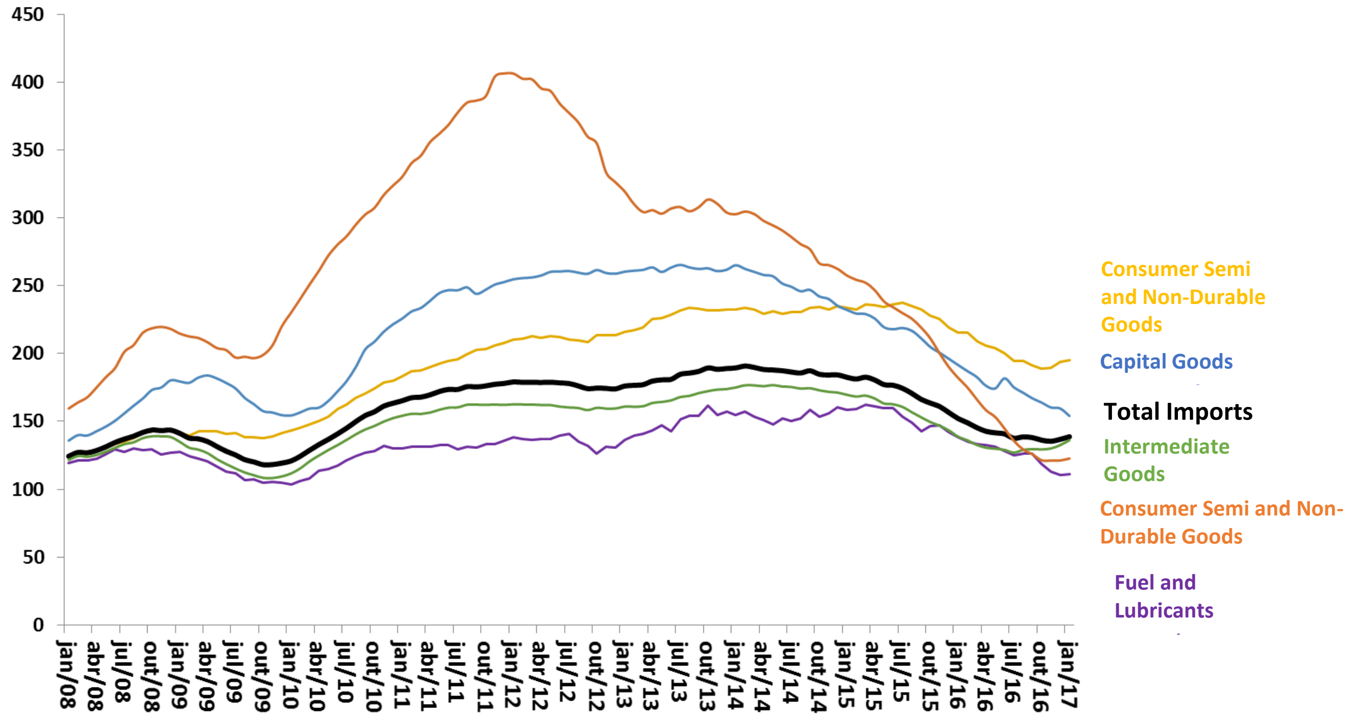
Total Imports: value, quantum and price



Sources: SECEX/MDIC and FUNCEX.

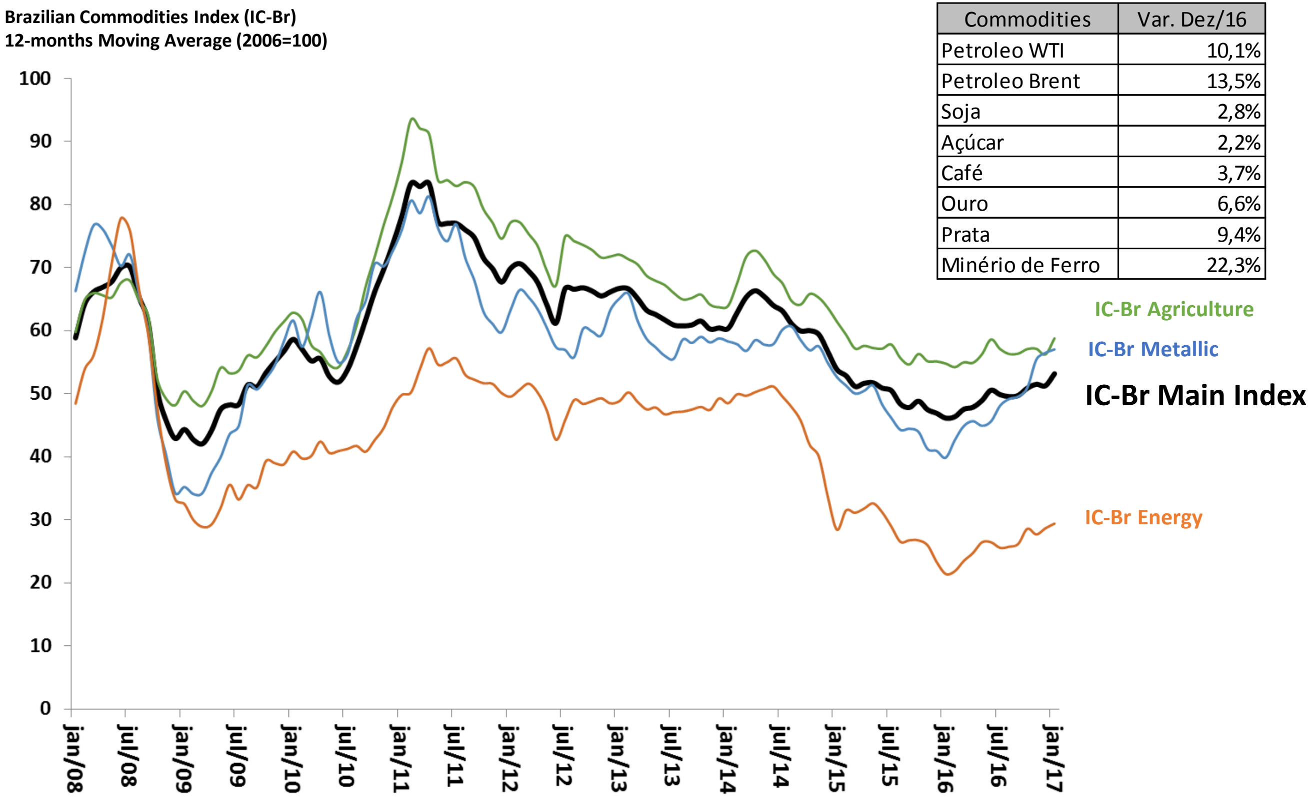
Quantum of Total Imports and by Economic Categories

Imports Quantum and Economic Categories
12-months Moving Average (2006=100)



Source: FUNCEX.

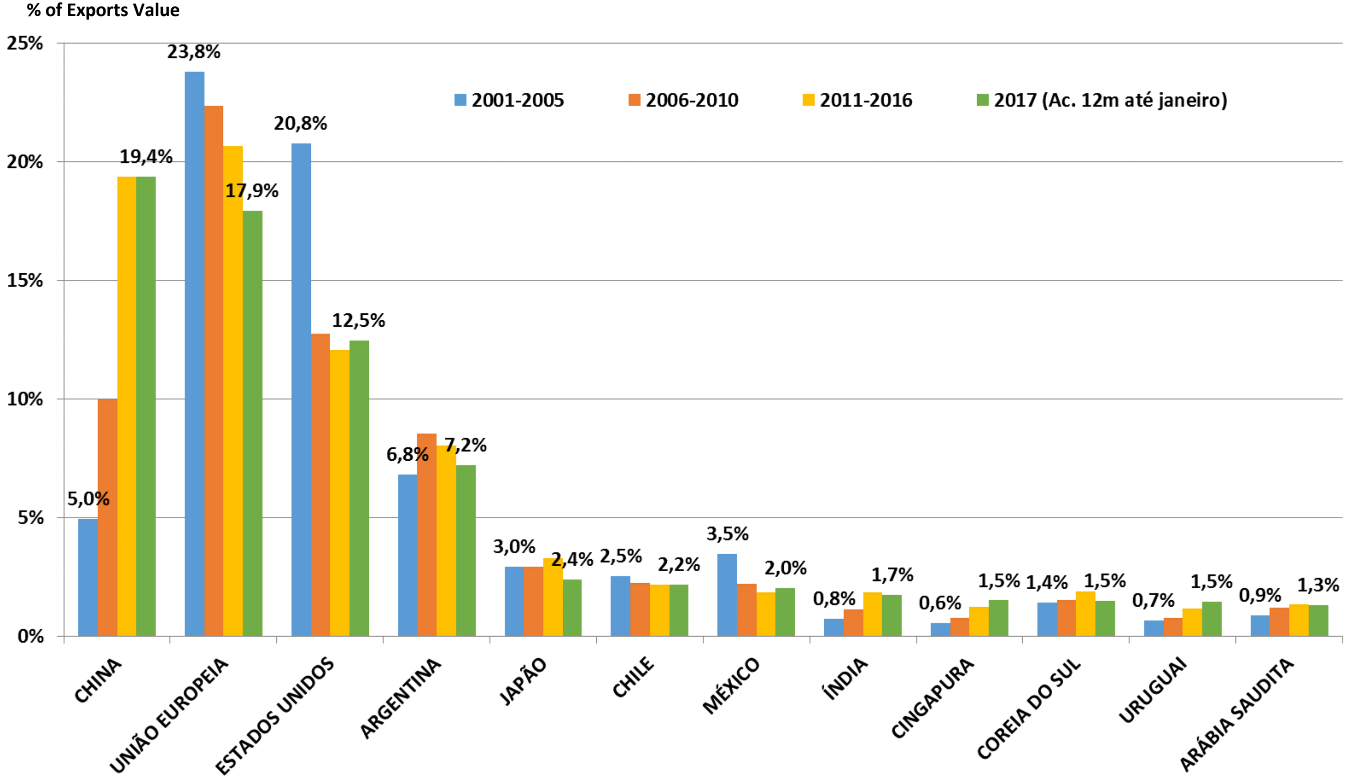
Brazilian Commodities Price Indexes



Commodities	Var. Dez/16
Petroleo WTI	10,1%
Petroleo Brent	13,5%
Soja	2,8%
Açúcar	2,2%
Café	3,7%
Ouro	6,6%
Prata	9,4%
Minério de Ferro	22,3%

Source: Central Bank of Brazil.

Brazilian Exports Evolution by Country of Destination



Source: MDIC/SECEX

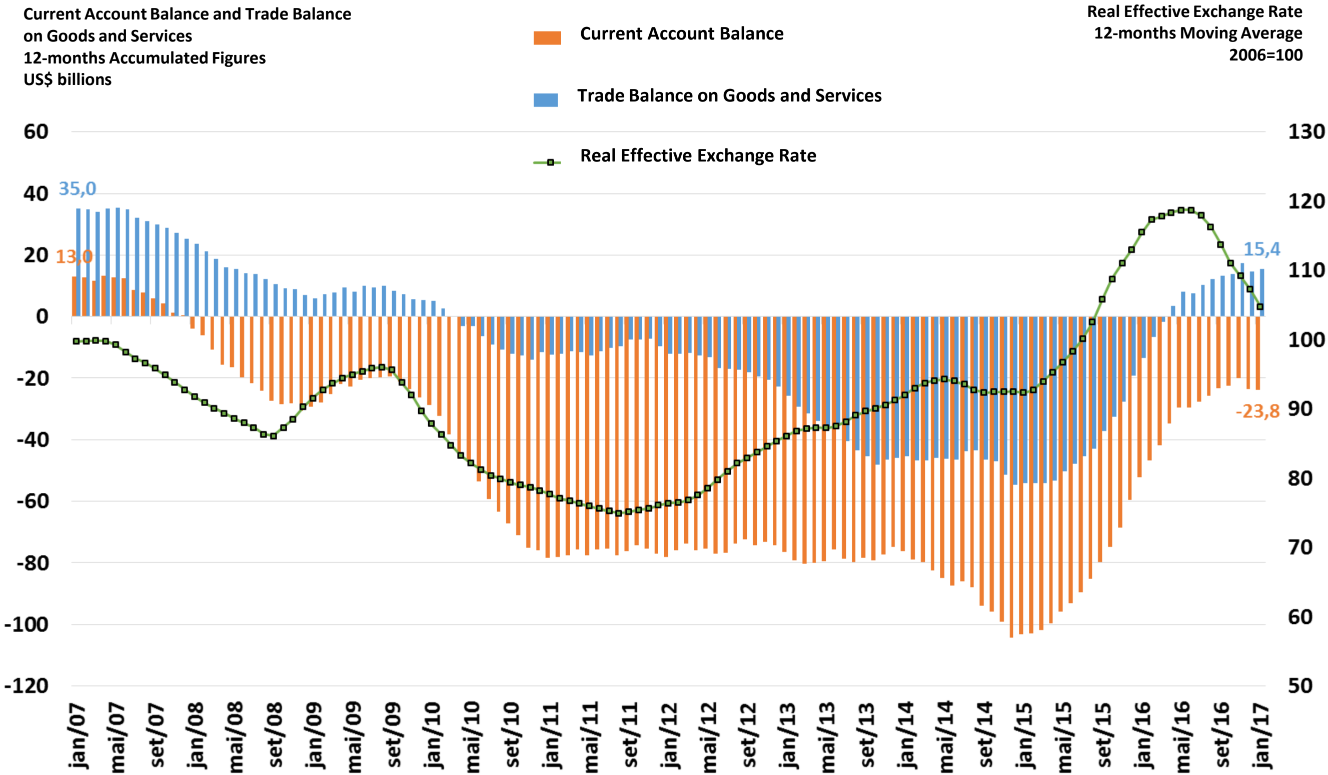
EXTERNAL SECTOR

External Sector

										BCB/Focus:	03/03/2017	
Balance of Payments (BCB) January 2017 In US$ millions	**2015**	**2016**	**Jan/16 accum. in 12-months**	**chg.% 2016 / 2015**	**chg.% Jan/17 accum. 12-m / 2016**	**chg.% Dec/16 / Dec/15**	**chg.% Jan/17 / Jan/16**	**chg.% Jan-Dec/16 / Jan-Dec/15**	**chg.% Jan-Jan/17 / Jan-Jan/16**	**2017**	**2018**	**2019**
Balance of Payments	**3.818**	**7.094**	**6.446**	**85,8%**	**-9,1%**	**-92,3%**	**-62,4%**	**85,8%**	**-62,4%**			
Current Account Balance (CAB)	**-59.434**	**-23.532**	**-23.801**	**-60,4%**	**1,1%**	**140,7%**	**5,6%**	**-60,4%**	**5,6%**	-26,50	-35,65	-36,25
CAB as % of GDP	*-3,3%*	*-1,3%*	*-1,3%*	*2,0 pp*	*0,0 pp*	*2,0 pp*	*1,6 pp*					
Balance on Goods	17.670	45.037	46.894	154,9%	4,1%	-30,7%	286,9%	154,9%	286,9%	47,7	37,5	38,5
Exports	190.092	184.453	188.179	-3,0%	2,0%	-4,7%	33,5%	-3,0%	33,5%	195,00	203,00	214,00
Imports	172.422	139.416	141.285	-19,1%	1,3%	10,1%	17,8%	-19,1%	17,8%	147,30	165,50	175,50
Balance on Services	-36.918	-30.449	-31.486	-17,5%	3,4%	34,5%	74,9%	-17,5%	74,9%			
Primary Income	-42.909	-41.080	-42.105	-4,3%	2,5%	8,1%	23,7%	-4,3%	23,7%			
Secondary Income	2.724	2.961	2.896	8,69%	-2,2%	-39,7%	-27,1%	8,7%	-27,1%			
Capital Account	**461**	**274**	**283**	**-40,6%**	**3,2%**	**-94,2%**	**30,3%**	**-40,6%**	**30,3%**			
Financial Account	**55.155**	**16.165**	**17.072**	**-70,7%**	**5,6%**	**1100,7%**	**24,2%**	**-70,7%**	**24,2%**			
Direct Investments	61.175	71.114	76.697	16,2%	7,9%	30,2%	96,2%	16,2%	96,2%			
Foreign Direct Investments (FDI)	74.694	78.929	85.001	5,7%	7,7%	5,5%	111,3%	5,7%	111,3%	72,00	72,00	75,00
Portfolio Investments	22.269	-19.468	-18.902	-187,4%	-2,9%	-34,9%	-29,9%	-187,4%	-29,9%			
Stock Market	6.366	7.049	8.181	10,7%	16,1%	-116,9%	-4581,8%	10,7%	-4581,8%			
Bonds	12.340	-30.747	-30.430	-349,2%	-1,0%	94,6%	-14,3%	-349,2%	-14,3%			
Others Investments and Capital Flows	-28.290	-35.480	-40.723	25,4%	14,8%	-9,6%	3200,5%	25,4%	3200,5%			
International Reserves - liquidity concept	**356.464**	**365.016**	**367.708**	**2,4%**	**0,7%**	**2,4%**	**2,9%**					

Gross External Debt (BCB) January 2017 In US$ millions	**2015**	**2016**	**Jan/17**	**2015 % of total**	**Jan/17 % of total**	**chg. pp**	**2015 % of GDP**	**Jan/17 % of GDP**	**chg. pp**			
Total External Debt	**665.101**	**676.718**	**673.215**	**100,0%**	**100,0%**	**-**	**37,0%**	**36,9%**	**-0,1 pp**			
Gross External Debt	**334.745**	**319.750**	**316.669**	**100,0%**	**100,0%**	**0,0 pp**	**18,6%**	**17,4%**	**-1,3 pp**			
Public Sector	68.208	74.484	74.383	20,4%	23,5%	3,1 pp	3,8%	4,1%	0,3 pp			
Private Sector and Public Financial Sector	266.537	245.266	242.286	79,6%	76,5%	-3,1 pp	14,8%	13,3%	-1,5 pp			
Short Term	51.140	54.396	50.970	15,3%	16,1%	0,8 pp	2,8%	2,8%	-0,1 pp			
Medium and Long Term	283.605	265.354	265.699	84,7%	83,9%	-0,8 pp	15,8%	14,6%	-1,2 pp			
Intercompany Loans	**205.711**	**228.607**	**233.387**	**61,5%**	**73,7%**	**12,2 pp**	**11,4%**	**12,8%**	**1,3 pp**			
Domestic Bonds with Foreign Investors	**124.645**	**128.361**	**123.158**	**37,2%**	**38,9%**	**1,7 pp**	**6,9%**	**6,8%**	**-0,2 pp**			

Brazil: Real Exchange Rate and External Sector Adjustment



Source: Central Bank of Brazil.

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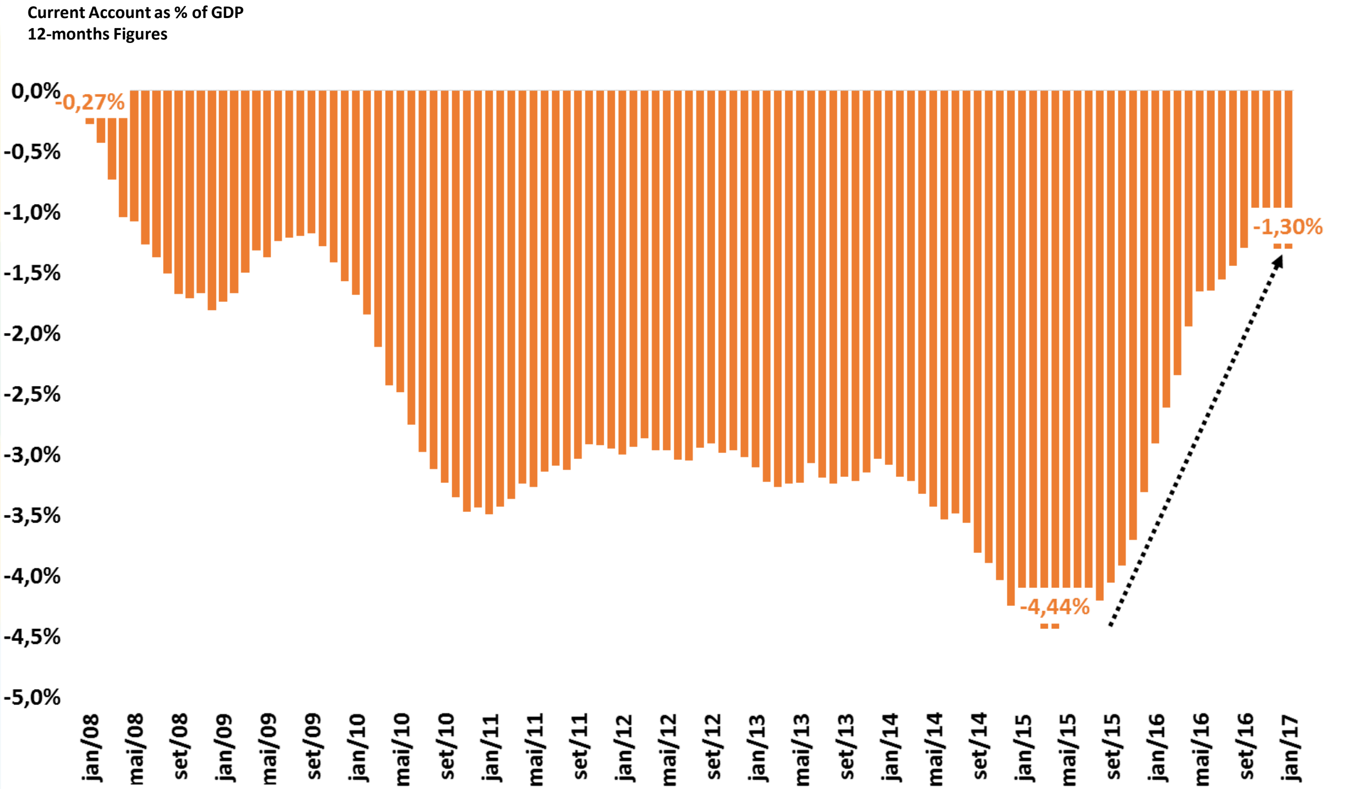
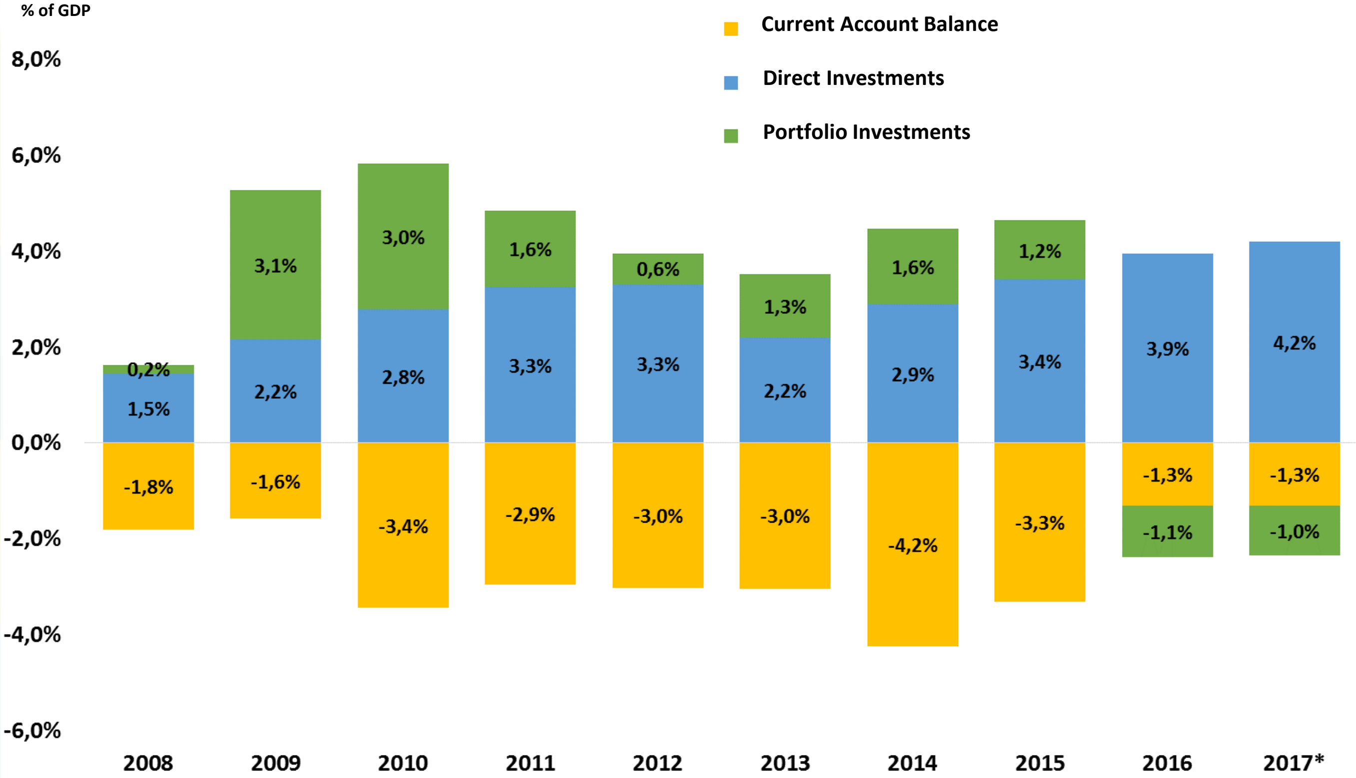
Current Account Deficit as % of GDP



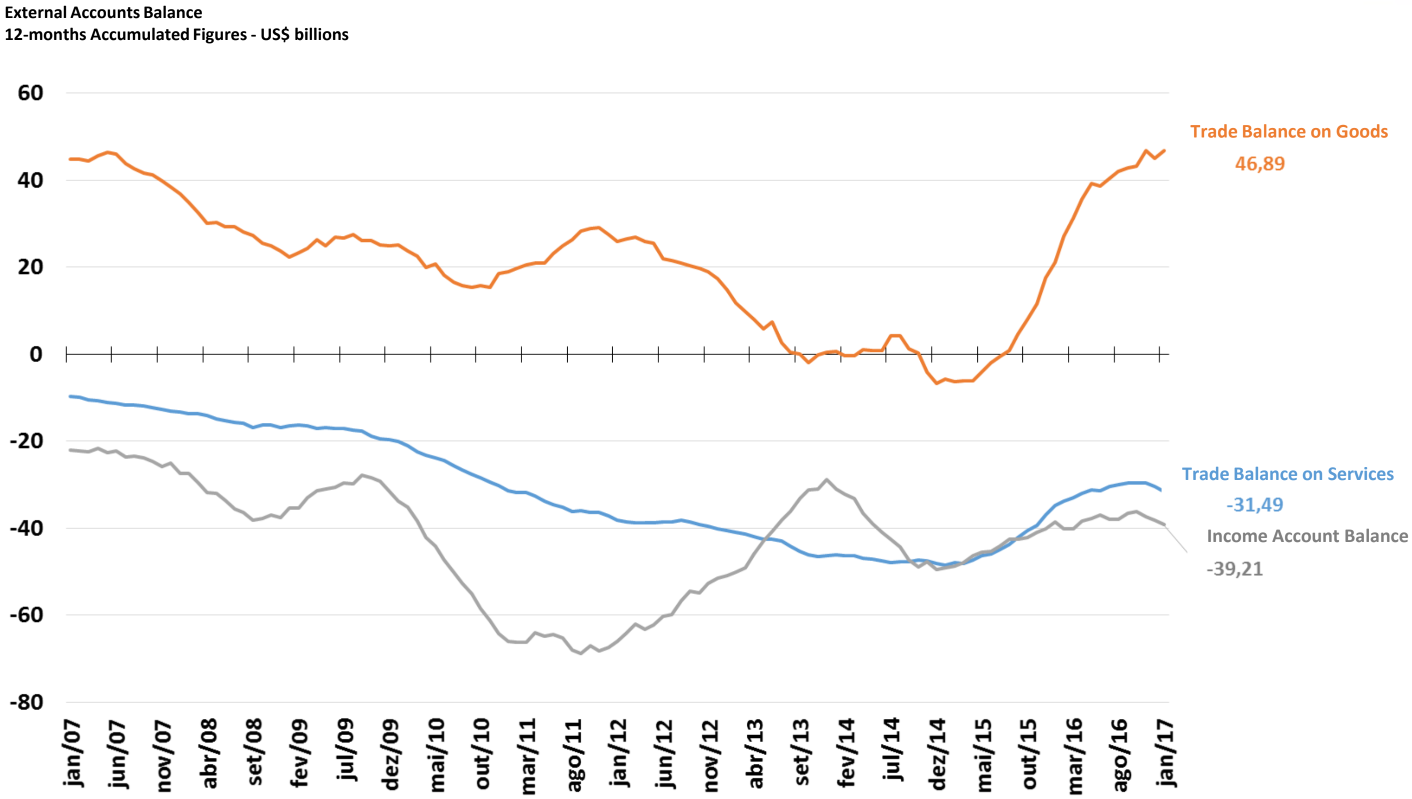
Source: Central Bank of Brazil.

Current Account Deficit Financing



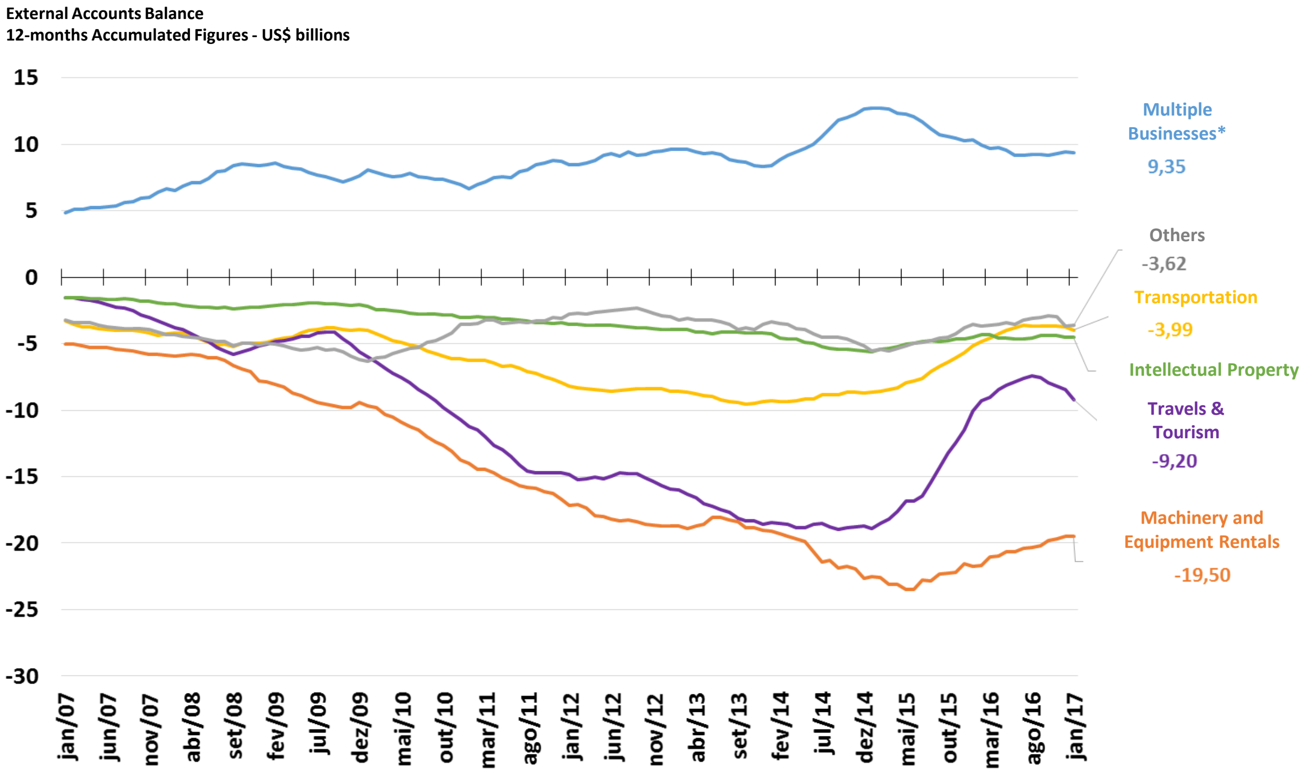
Source: Central Bank of Brazil. *12-months accumulated figures up to Jan/2017.

Current Account Balance Components



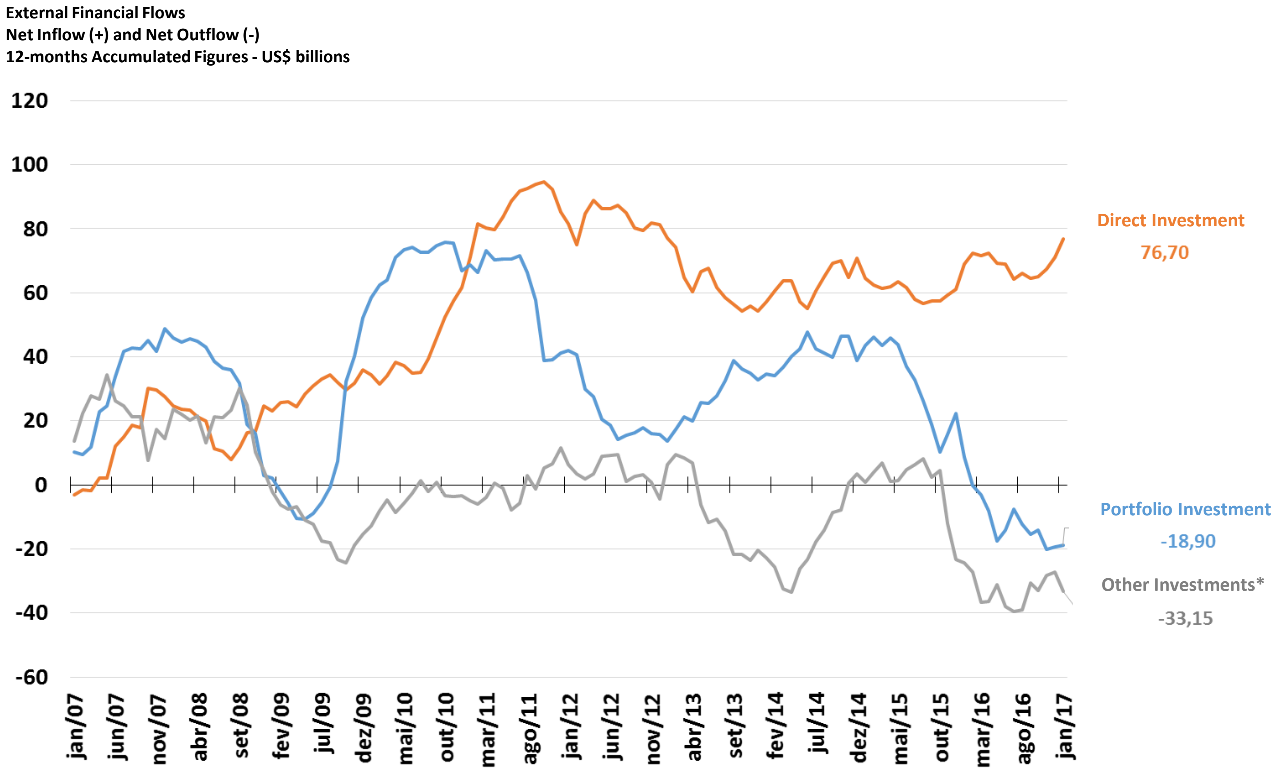
Source: Central Bank of Brazil.

Service Account Balance and Components



Source: Central Bank of Brazil. *Includes services of P&D, legal services, marketing, architecture & engineering, environmental services, among others.

Financial Account Balance and Components



Source: Central Bank of Brazil. *Commercial Credit and Loans.

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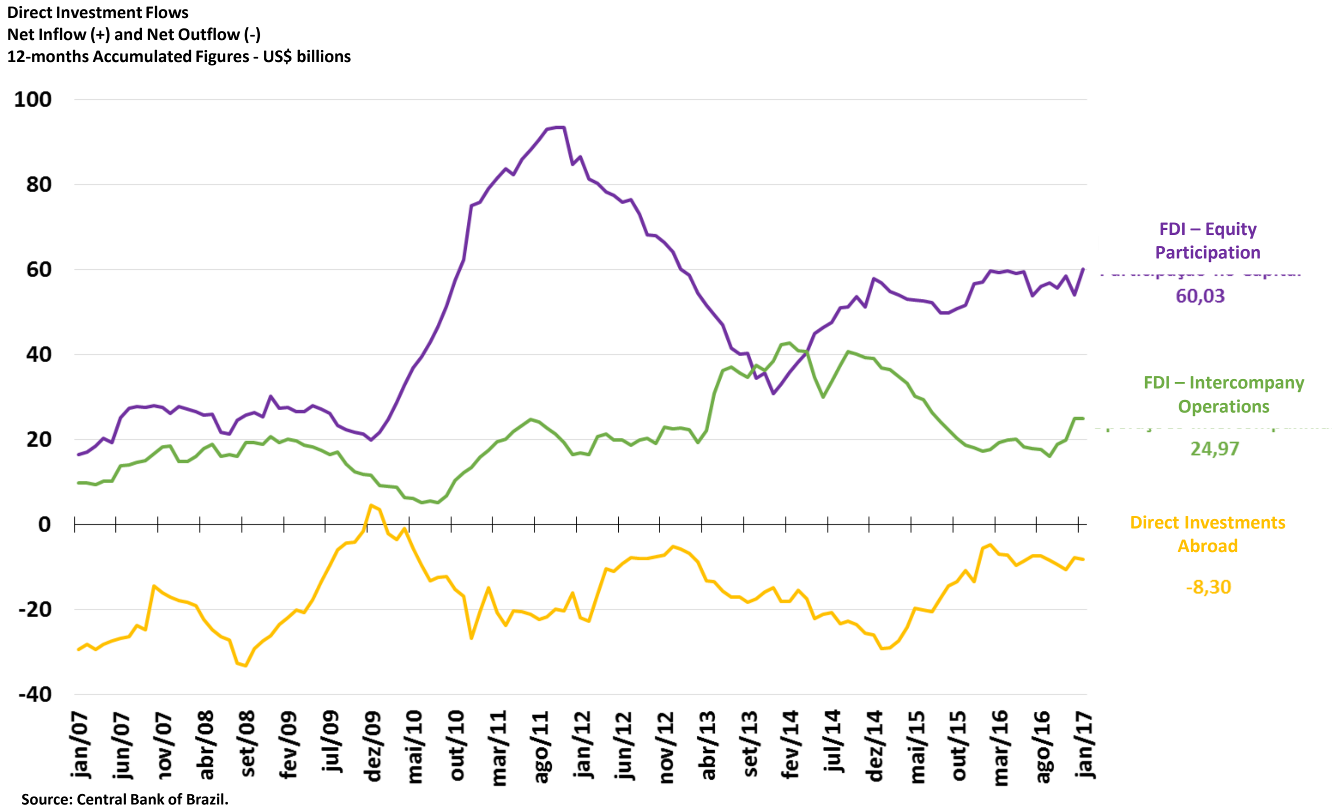
Direct Investments and Components



Source: Central Bank of Brazil.

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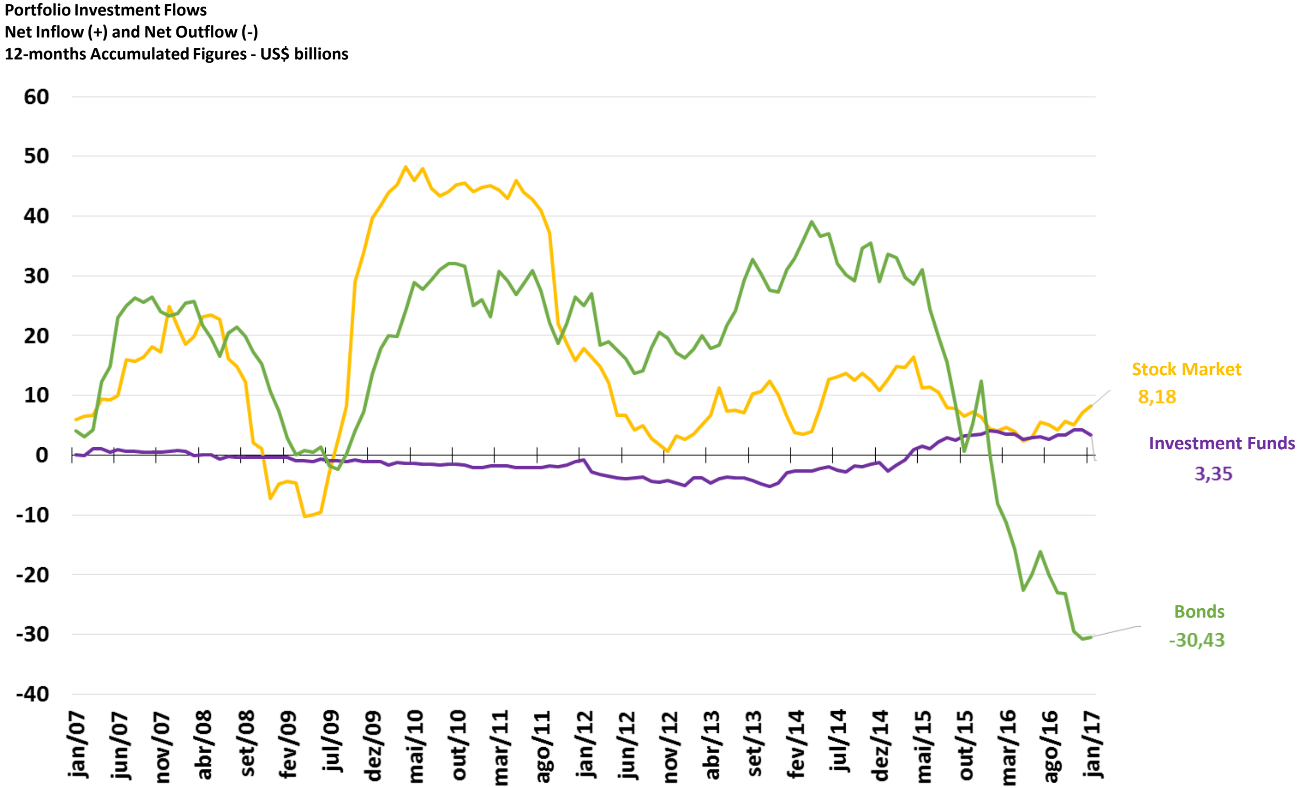
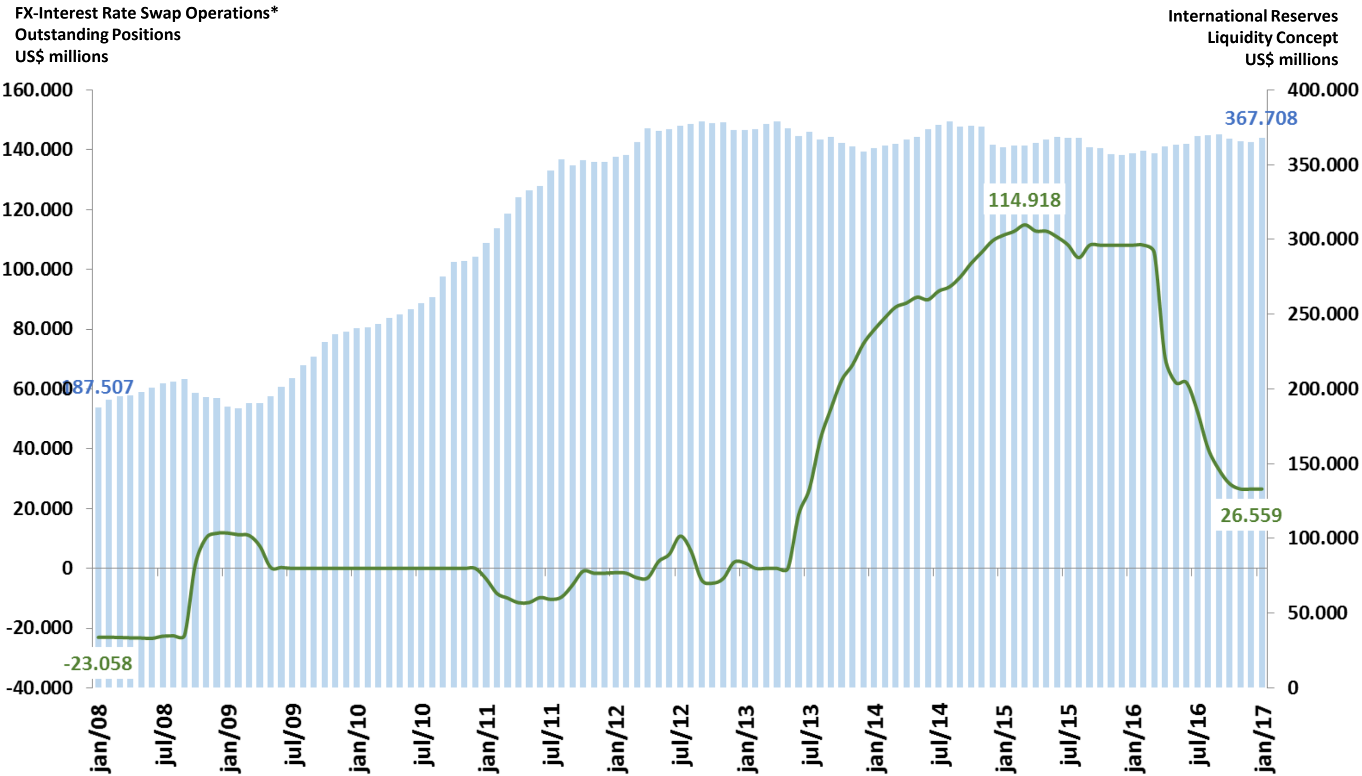
Portfolio Investments and Components



Source: Central Bank of Brazil.

Brazilian International Reserves Evolution



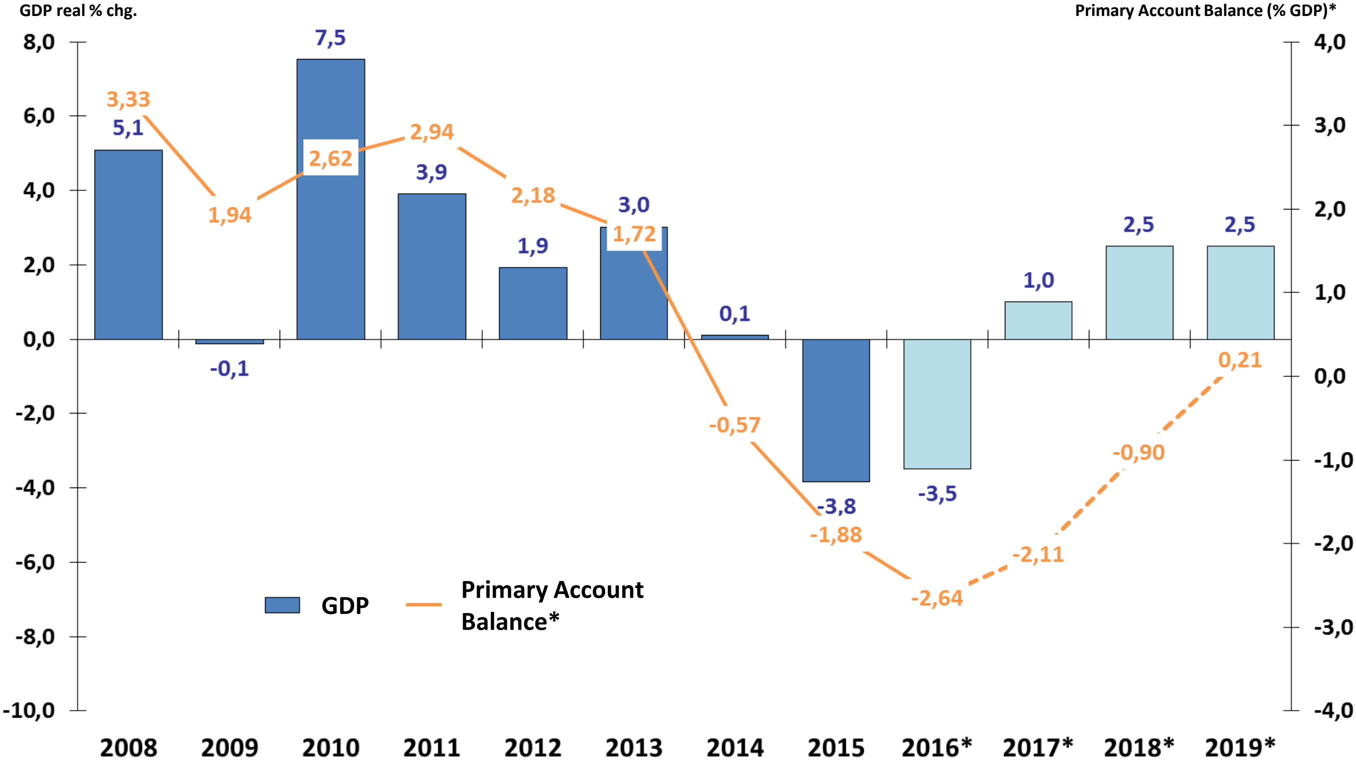
Source: Central Bank of Brazil. *Positive values represent net sell position on fx and negative values net buy position on fx.

PUBLIC ACCOUNTS

Public Accounts

										BCB/Focus:	03/03/2017	
Federal Government Accounts January 2017	12-month Acummulated Figures (in R$ millions)						chg. %					
Federal Budget (National Treasury/Ministry of Finance)	2012	2013	2014	2015	2016	Jan/17 accum. in 12-months	2016 / 2015	Jan/17 accum. 12-m / 2016	YTD 2016 / YTD 2015			
Total Primary Revenue (a)	**1.059.889**	**1.178.983**	**1.221.474**	**1.247.789**	**1.314.953**	**1.311.117**	**5,4%**	**-0,3%**	**-2,7%**			
National Treasury	784.125	871.836	883.971	897.517	956.816	953.194	6,6%	-0,4%	-3,2%			
Social Security General System	275.765	307.147	337.503	350.272	358.137	357.923	2,2%	-0,1%	-0,8%			
States and Municipalities Mandatory Transfers (b)	**171.394**	**181.895**	**198.462**	**204.684**	**226.835**	**228.249**	**10,8%**	**0,6%**	**8,2%**			
Net Primary Revenue (a-b)	**888.495**	**997.088**	**1.023.013**	**1.043.105**	**1.088.118**	**1.082.868**	**4,3%**	**-0,5%**	**-4,2%**			
Total Primary Expenditure	**812.632**	**920.095**	**1.040.223**	**1.158.701**	**1.242.373**	**1.232.991**	**7,2%**	**-0,8%**	**-8,6%**			
National Treasury	496.043	563.092	646.022	722.611	734.502	720.422	1,6%	-1,9%	-19,1%			
Social Security General System	316.590	357.003	394.201	436.090	507.871	512.569	16,5%	0,9%	13,2%			
Federal Government Accounts January 2017	12-month Acummulated Figures (in R$ millions)						% of GDP					
Federal Budget (National Treasury/Ministry of Finance)	2012	2013	2014	2015	2016	Jan/17 accum. in 12-months	2015	2016	Jan/17 accum. in 12-months			
Primary Account Balance of Federal Government (STN/MF)	**75.863**	**76.994**	**-17.211**	**-115.596**	**-154.255**	**-150.123**	**-1,9%**	**-2,5%**	**-2,4%**			
National Treasury	116.687	126.850	39.487	-29.778	-4.521	4.523	-0,5%	-0,1%	0,1%			
Social Security General System	-40.825	-49.856	-56.698	-85.818	-149.734	-154.645	-1,4%	-2,4%	-2,4%			
Consolidate Public Sector Accounts January 2017	12-month Acummulated Figures (in R$ millions)						% of GDP					
Public Sector Financial Need (Central Bank of Brazil - BCB)	2012	2013	2014	2015	2016	Jan/17 accum. in 12-months	2015	2016	Jan/17 accum. in 12-months	2017	2018	2019
Primary Account Balance Target (% GDP)										**-2,64%**	**-2,11%**	**-0,90%**
Primary Account Balance	**104.951**	**91.306**	**-32.536**	**-111.249**	**-155.791**	**-146.991**	**-1,9%**	**-2,5%**	**-2,3%**	**-1,6%**	**-0,9%**	**-0,4%**
Federal Government	86.086	75.291	-20.472	-116.656	-159.473	-154.079	-1,9%	-2,5%	-2,4%			
States and Municipalities	21.511	16.337	-7.790	9.684	4.666	7.493	0,2%	0,1%	0,1%			
State Owned Companies (except Petrobrás and Eletrobrás)	-2.645	-322	-4.274	-4.278	-983	-405	-0,1%	0,0%	0,0%			
Net Financial Public Expenditure (Debt Interest Payments)	-213.863	-248.856	-311.380	-501.786	-407.024	-387.219	-8,4%	-6,5%	-6,1%			
Nominal Account Balance	**-108.912**	**-157.550**	**-343.916**	**-613.035**	**-562.815**	**-534.210**	**-10,2%**	**-9,0%**	**-8,5%**	**-7,9%**	**-7,1%**	**-6,6%**
General Public Sector Debt (BCB) January 2017	Debt Outstanding (in R$ millions)						chg. %					
End of Period Debt Outstanding (in R$ millions)	Dec/12	Dec/13	Dec/14	Dec/15	Dec/16	Jan/17	Dec/15 - Dec/14	Dec/16 - Dec/15	Jan/17 - Dec/16	2017	2018	2019
Consolidated Public Sector	**1.508.547**	**1.550.083**	**1.626.335**	**1.883.147**	**2.136.888**	**2.892.913**	**15,79%**	**13,47%**	**35,38%**			
Federal Government	1.009.192	1.002.205	1.025.358	1.200.680	1.312.962	2.090.133	17,1%	9,4%	59,2%			
States and Municipalities	474.345	519.423	569.794	643.066	771.635	747.503	12,9%	20,0%	-3,1%			
State Owned Companies (except Petrobrás and Eletrobrás)	25.010	28.456	31.183	39.402	52.292	55.278	26,4%	32,7%	5,7%			
Net Domestic Debt	2.047.015	2.169.502	2.341.011	2.669.547	3.289.112	3.856.985	14,0%	23,2%	17,3%			
Net External Debt	-538.468	-619.419	-714.676	-786.400	-1.152.224	-964.072	10,0%	46,5%	-16,3%			
General Public Sector Net Debt (% GDP)	**32,2%**	**30,5%**	**32,6%**	**35,6%**	**46,0%**	**46,4%**	**3,0 pp**	**10,4 pp**	**0,4 pp**	**55,0%**	**57,1%**	**58,0%**
General Public Sector Gross Debt (% GDP)	**53,7%**	**51,5%**	**56,3%**	**65,5%**	**69,6%**	**69,7%**	**9,2 pp**	**4,2 pp**	**0,0 pp**			

Fiscal Adjustment and Economic Recovery



Sources: IBGE, MF and MP.
* Annex IV-Fiscal Targets of 2017 Budgetary Guidelines Bill of Law (PLDO 2017) and Macroeconomic Projections from Nov-2016 Grade de Parâmetros SPE/MF.

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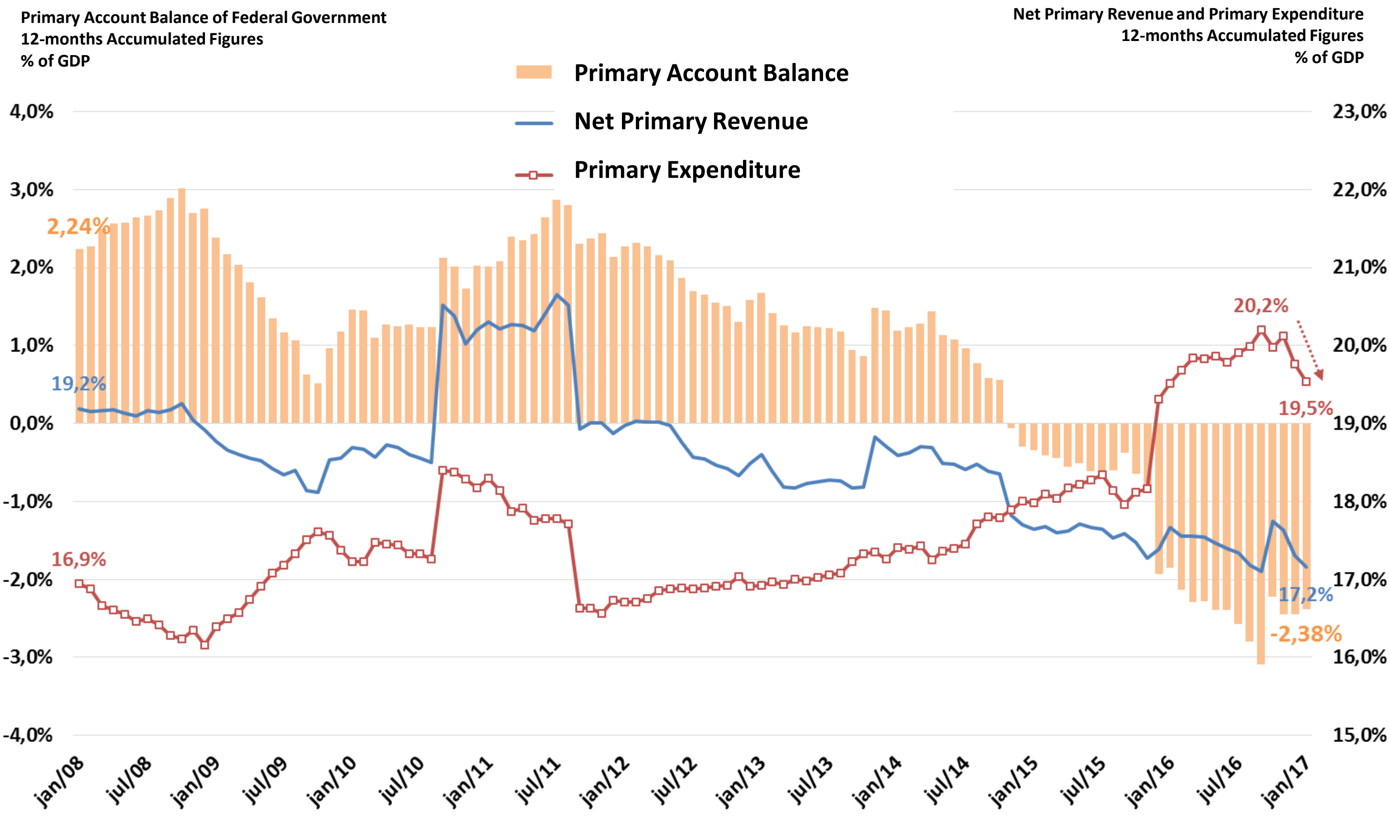
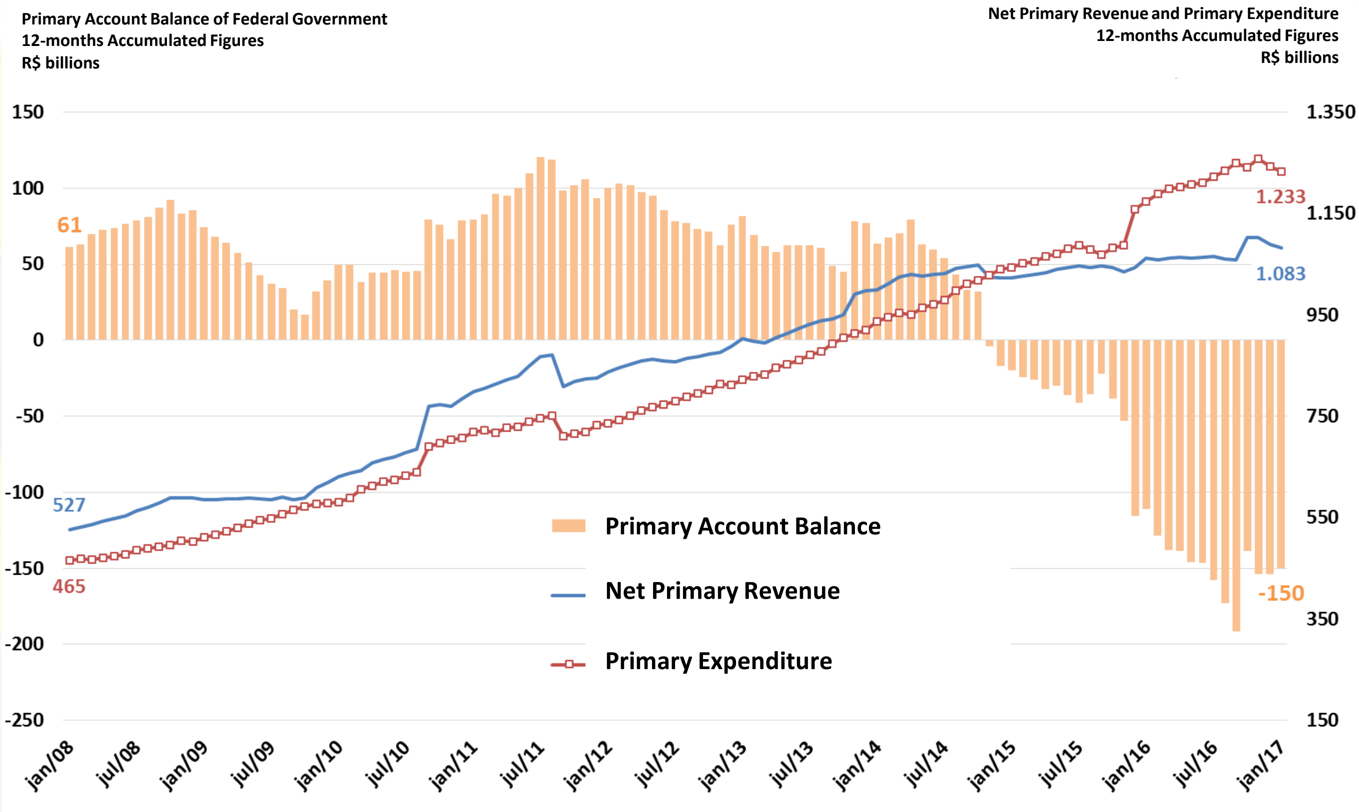
Primary Account Balance of Federal Government (as % GDP)



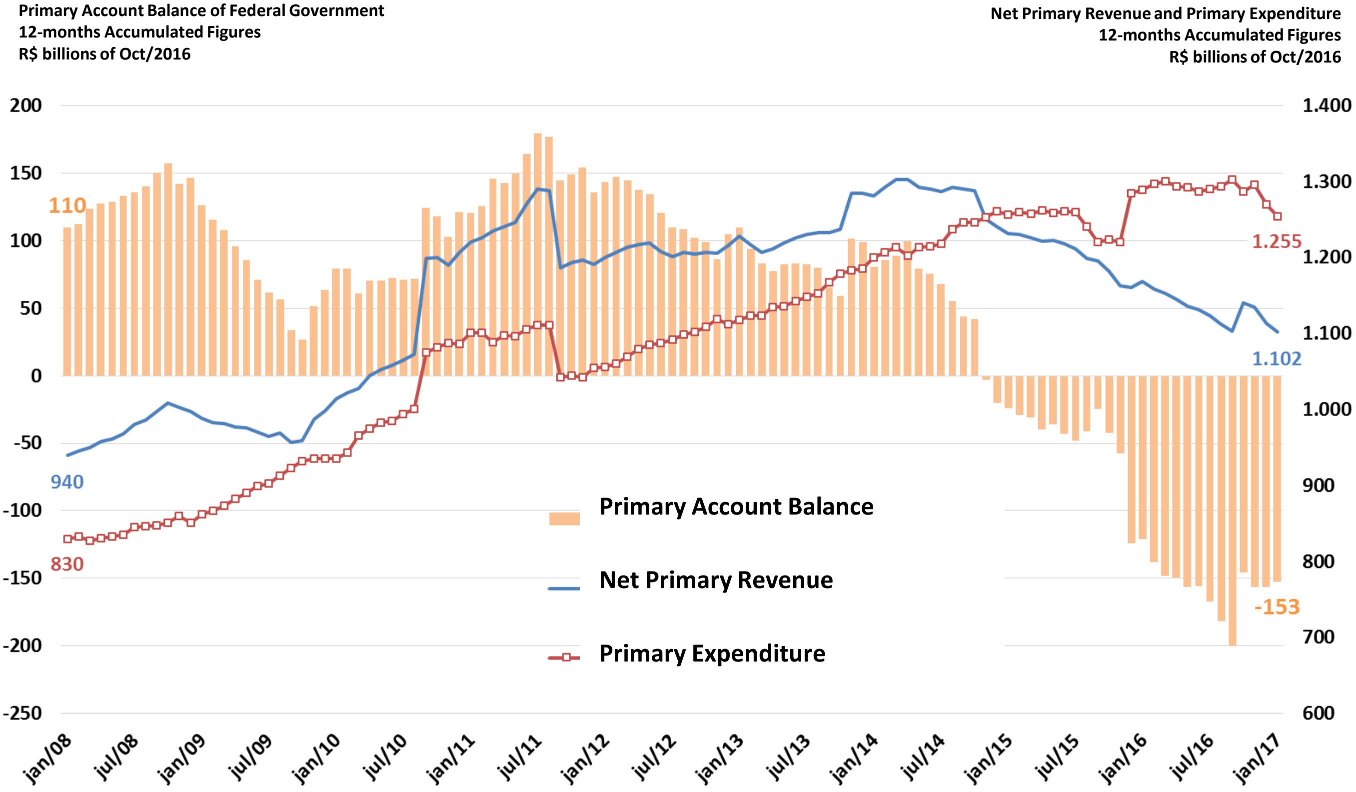
Sources: STN/MF.

Primary Account Balance of Federal Government (nominal values)



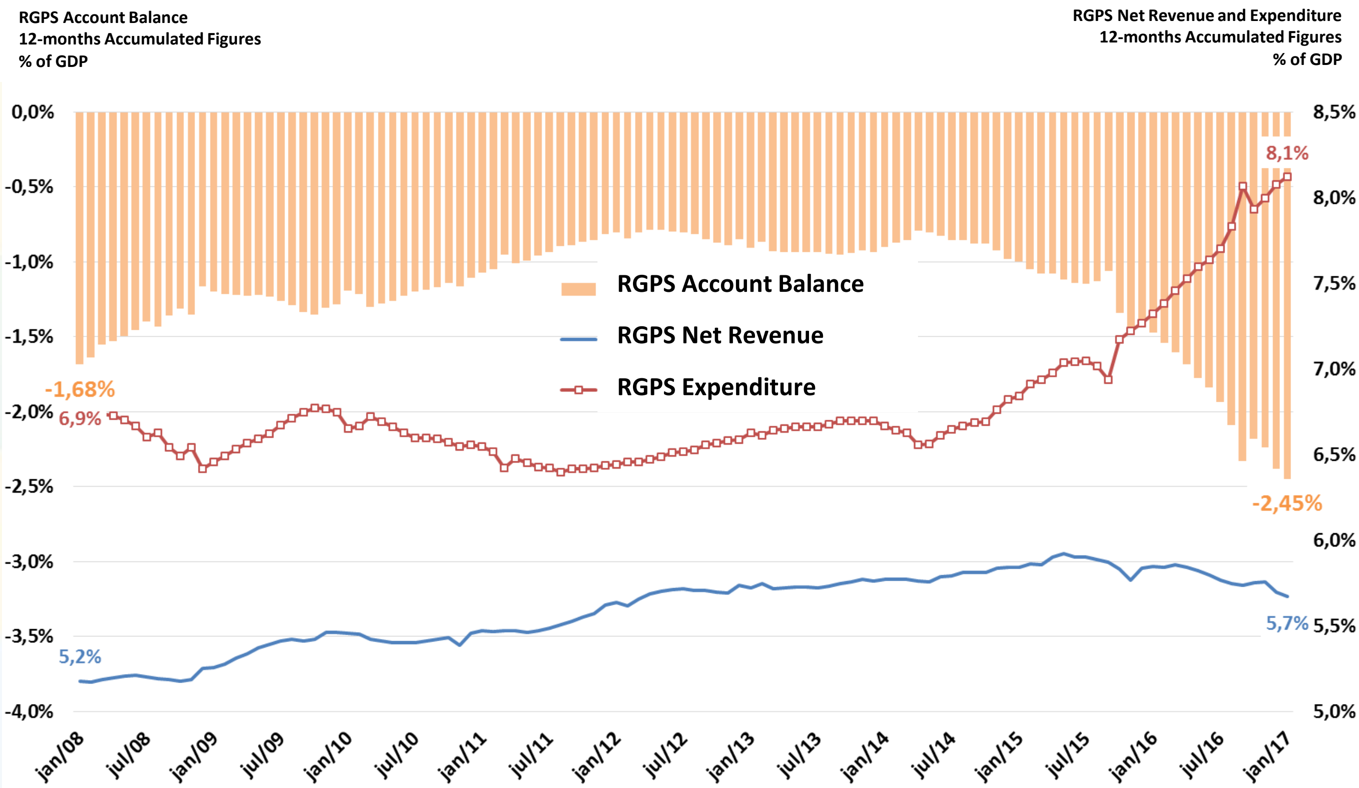
Source: STN/MF.

Primary Account Balance of Federal Government (real values)



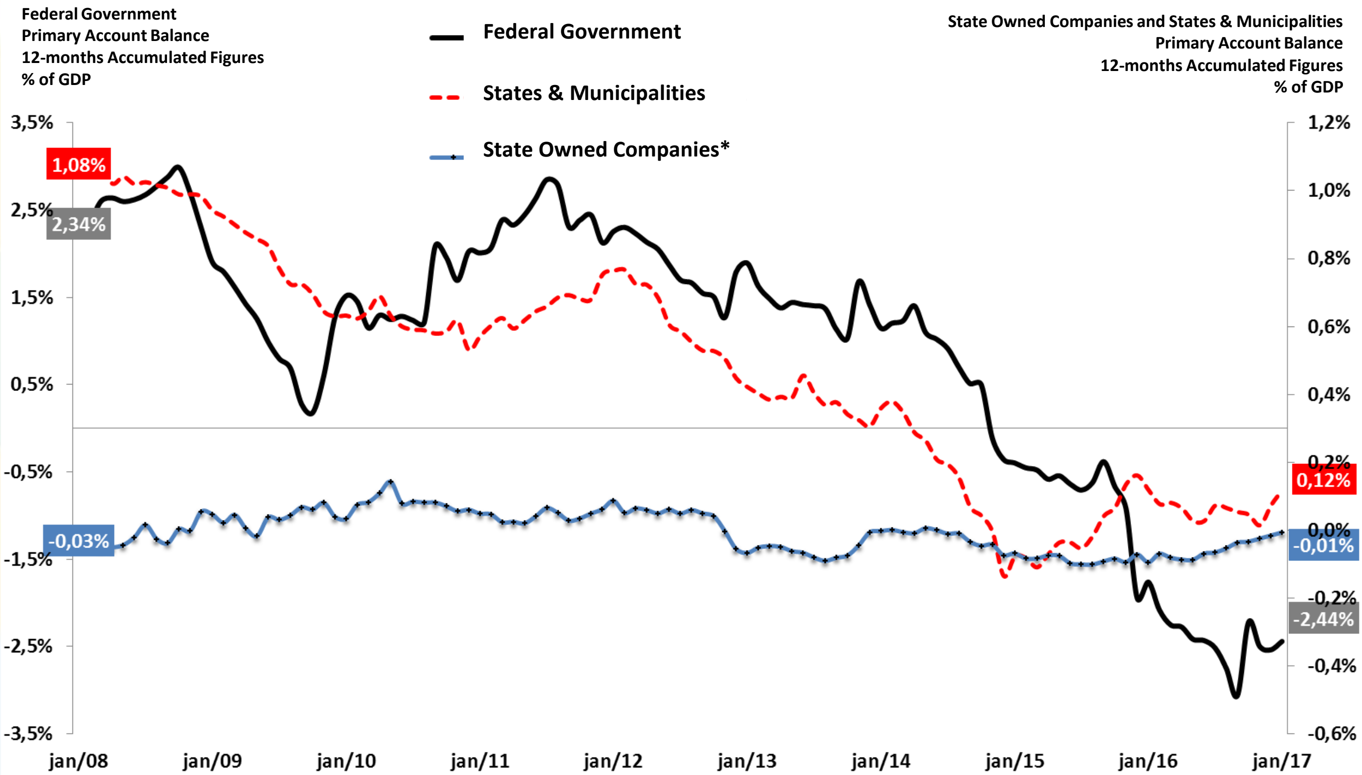
Source: STN/MF.

General Social Security System (RGPS) Account Balance



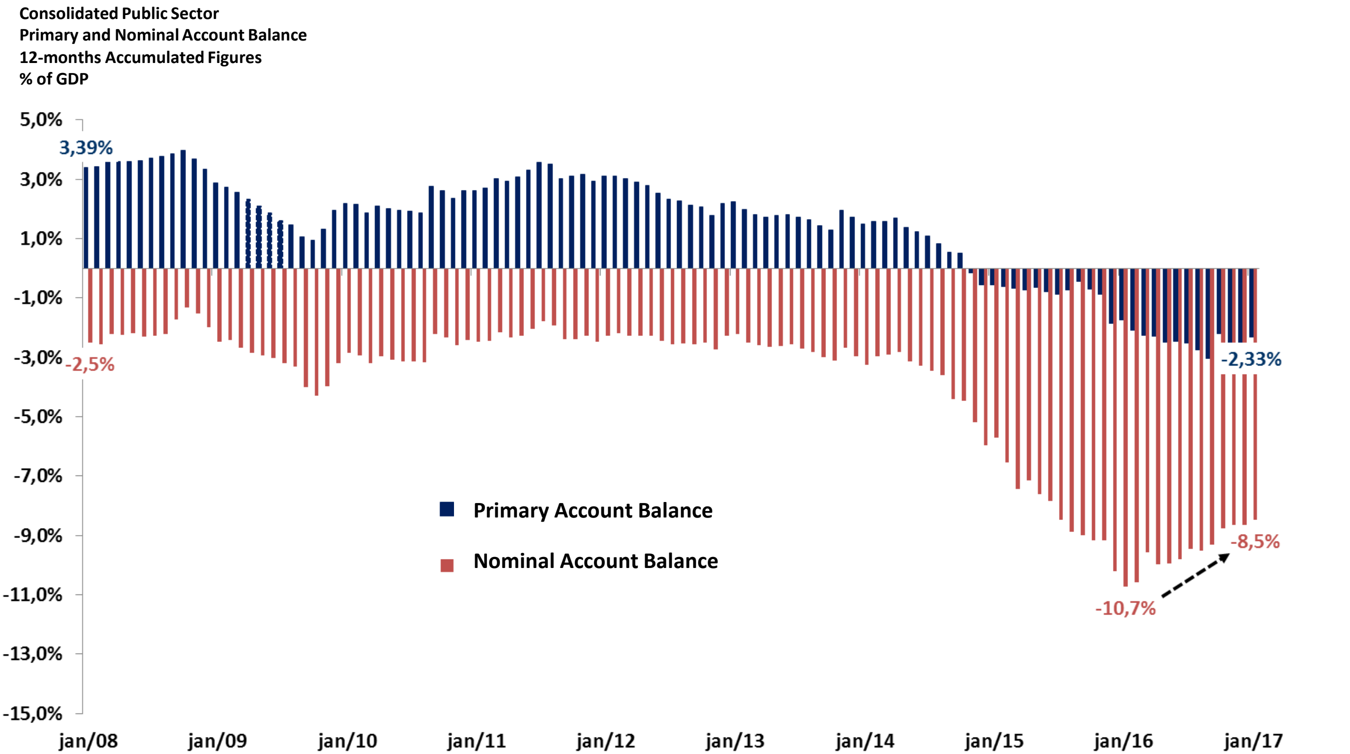
Sources: STN/MF.

General Public Sector Primary Account Balance (as % GDP)



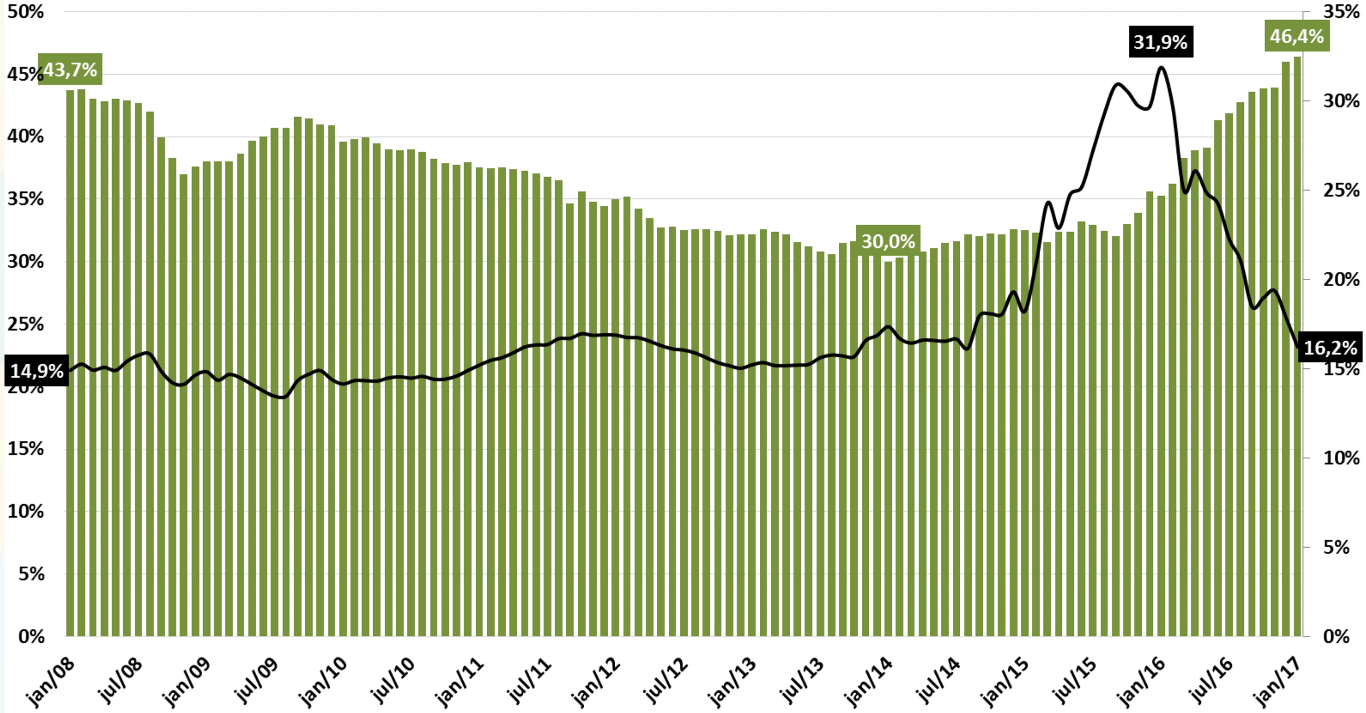
Sources: Central Bank of Brazil. *Exclude Petrobrás and Eletrobrás.

General Public Sector Primary and Nominal Account Balance



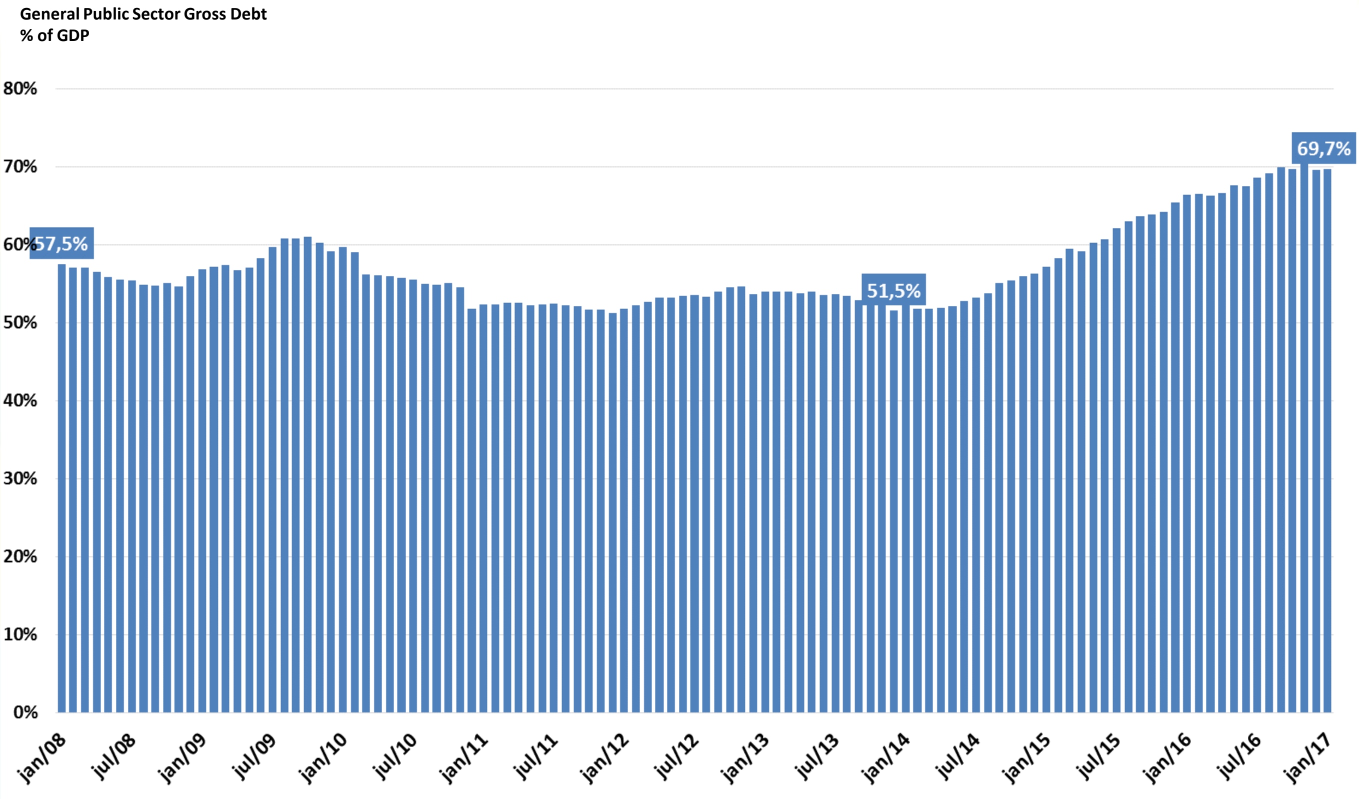
Source: Central Bank of Brazil.

General Public Sector Net Debt (as % GDP)



Source: Central Bank of Brazil.

General Public Sector Gross Debt (as % GDP)



Source: Central Bank of Brazil.

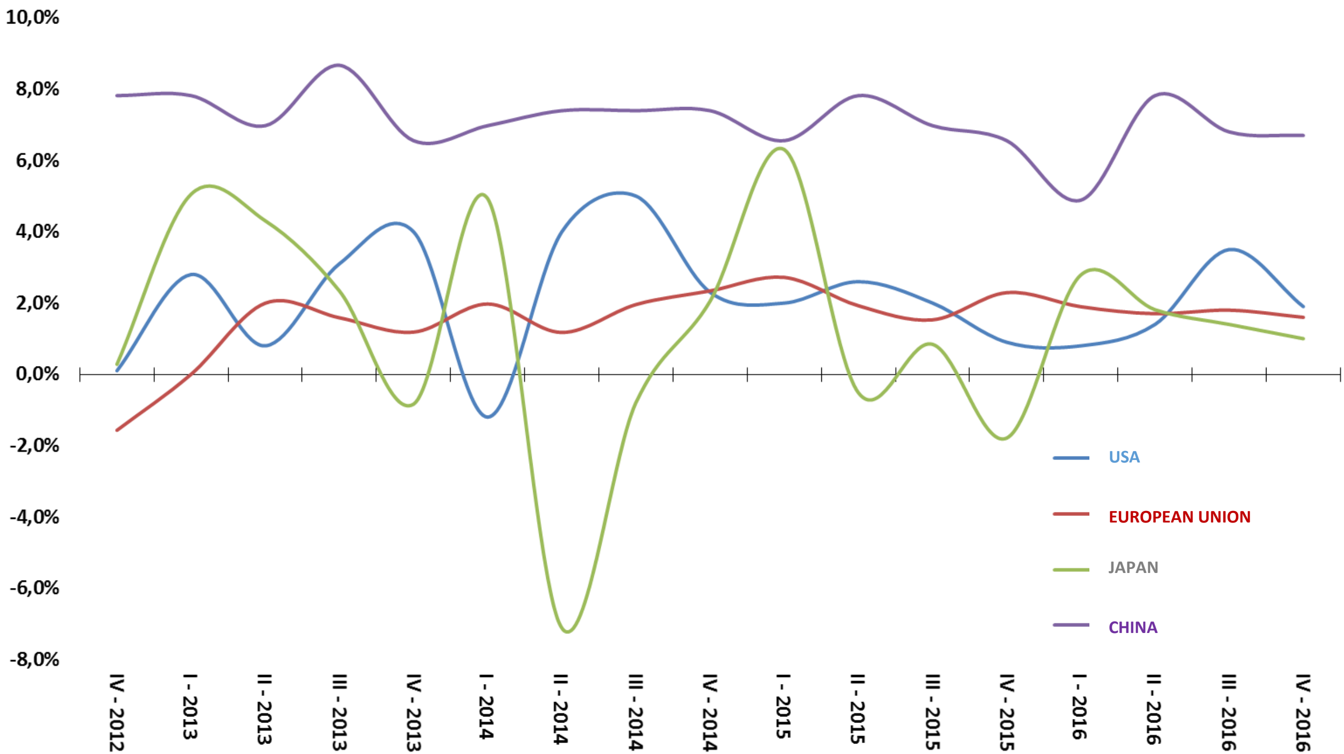
WORLD ECONOMY

World Economy

											IMF - WEO, January-2017.		
World Q3 2016 *data from IMF and WTO*	**2012**	**2013**	**2014**	**2015**	**2016**	**Q2-2016 / Q2-2015**	**Q3-2016 / Q3-2015**	**Q4-2016 / Q4-2015**	**Q2-2016 accum. in 4-quarters**	**Q3-2016 accum. in 4-quarters**	**2016**	**2017**	**2018**
World Output - GDP	**3,5%**	**3,3%**	**3,4%**	**3,2%**							**3,10%**	**3,40%**	**3,60%**
Advanced Economies	1,2%	1,2%	1,9%	2,1%							1,60%	1,90%	2,00%
Emerging Market and Developing Economies	5,3%	5,0%	4,6%	4,0%							4,10%	4,50%	4,80%
Latin America and the Caribbean	3,0%	2,9%	1,0%	0,0%							-0,70%	1,20%	2,10%
World Trade of Goods and Services	**1,4%**	**2,8%**	**1,7%**	**-11,4%**		**1,4%**	**-0,7%**		**1,1%**	**0,5%**	**-1,0%**	**-11,0%**	**-16,5%**
National Accounts Q3 2016 *data from IMF, OECD, Eurostat, NBSC and METI*	**2012**	**2013**	**2014**	**2015**	**2016**	**Q2-2016 / Q2-2015**	**Q3-2016 / Q3-2015**	**Q4-2016 / Q4-2015**	**Q2-2016 accum. in 4-quarters**	**Q3-2016 accum. in 4-quarters**	**2016**	**2017**	**2018**
USA - GDP	**2,2%**	**1,7%**	**2,4%**	**2,6%**	**1,6%**	**1,3%**	**1,7%**	**1,9%**	**2,3%**	**2,0%**		**2,30%**	**2,50%**
Household Expenditure	1,5%	1,5%	2,9%	3,2%	2,7%	2,7%	2,8%	2,8%	3,0%	2,8%			
Government Expenditure	-1,9%	-2,9%	-0,9%	1,8%	0,8%	0,7%	0,4%	0,5%	1,7%	1,7%			
Gross Fixed Capital Formation	10,6%	6,1%	4,5%	5,0%	-1,6%	-2,9%	-2,7%	0,4%	3,4%	1,8%			
Exports of Goods and Services	3,4%	3,5%	4,3%	0,1%	0,4%	-1,1%	2,0%	1,5%	-0,1%	-0,6%		5,85%	6,41%
Imports of Goods and Services (-)	2,2%	1,1%	4,4%	4,6%	1,1%	0,3%	0,6%	2,5%	3,8%	2,7%		7,18%	5,66%
Industrial Production	2,2%	3,7%	4,9%	-1,8%	-1,0%	-1,1%	-1,0%	-0,4%	-1,3%	-1,3%			
Unemployment (% of Labor Force)	8,1%	7,4%	6,2%	5,3%	4,9%	-0,5 pp	-0,3 pp	-0,3 pp	5,0%	4,9%		4,77%	4,73%
Consumer Price Index	1,7%	1,5%	0,8%	0,7%	2,1%	1,0%	1,1%		1,0%	1,5%		2,56%	2,66%
European Union - GDP	**-0,4%**	**0,3%**	**1,6%**	**2,3%**	**1,9%**	**1,8%**	**1,9%**	**1,8%**	**2,1%**	**2,0%**		**1,69%**	**1,80%**
Household Expenditure	-0,5%	-0,1%	1,0%	2,0%	1,8%		1,8%	1,6%					
Government Expenditure	0,0%	0,3%	0,8%	1,7%	2,0%		1,7%	2,0%					
Gross Fixed Capital Formation	-2,2%	-1,6%	2,8%	3,7%	2,5%		-2,1%	2,5%					
Exports of Goods and Services	2,4%	1,6%	4,7%	6,0%	2,3%		0,6%	3,0%					
Imports of Goods and Services (-)	-0,8%	2,5%	5,0%	7,1%	2,8%		-1,4%	4,0%					
Industrial Production	-2,1%	-0,5%	1,2%	2,3%	1,3%	1,2%	1,0%	1,6%	1,8%	1,5%			
Unemployment (% of Labor Force)	10,4%	10,8%	10,2%	9,4%	8,6%	-0,9 pp	-0,8 pp	0,0 pp	9,0%	8,8%		9,91%	9,57%
Consumer Price Index	2,4%	1,0%	0,0%	0,2%	1,9%	0,1%	0,4%	0,7%	0,1%	0,0%		1,32%	1,58%
Japan - GDP	**1,5%**	**2,0%**	**0,3%**	**1,2%**	**1,0%**	**0,9%**	**1,0%**	**1,6%**	**1,1%**	**0,8%**		**0,80%**	**0,50%**
Industrial Production	0,0%	-0,7%	2,1%	-0,9%	-0,2%	-1,7%	0,6%	3,0%	-1,3%	-0,9%			
Unemployment (% of Labor Force)	4,3%	4,0%	3,6%	3,4%	3,1%				3,1%	3,0%		3,20%	3,20%
Consumer Price Index	-0,2%	1,5%	2,5%	0,2%	-0,1%				-0,4%	-0,5%		0,65%	0,64%
China - GDP	**7,9%**	**7,8%**	**7,3%**	**6,9%**	**6,7%**	**1,9%**	**1,8%**	**1,7%**	**6,8%**	**6,7%**		**6,50%**	**6,00%**
Industrial Production	10,1%	9,9%	7,9%	6,6%	6,0%				6,0%	6,3%			
Unemployment (% of Labor Force)	4,1%	4,1%	4,1%	4,1%	4,0%				4,1%	4,0%		4,05%	4,05%
Consumer Price Index	2,5%	2,5%	1,5%	1,6%	2,1%							2,30%	2,40%

World Major Economies GDP

GDP - real quarterly % chg. – seasonally adjusted data



Source: OECD.

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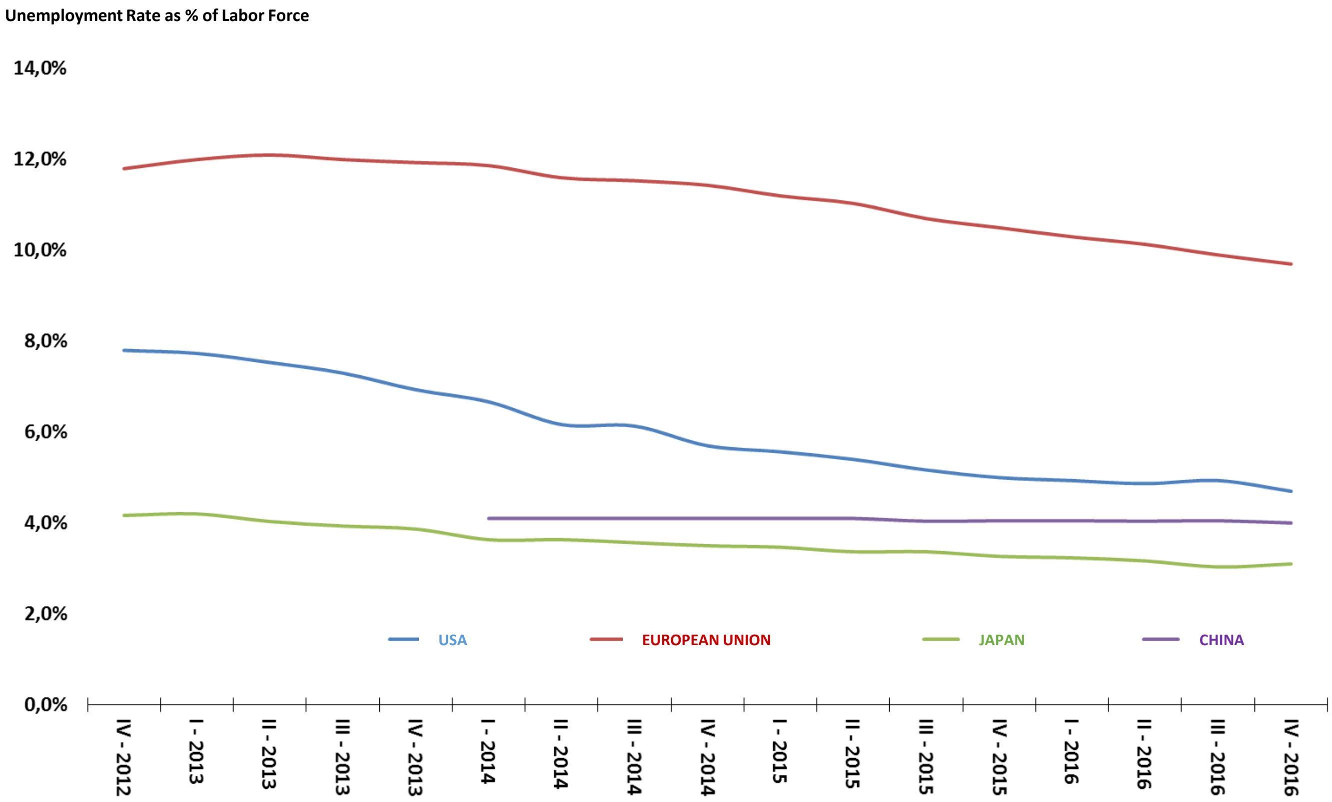
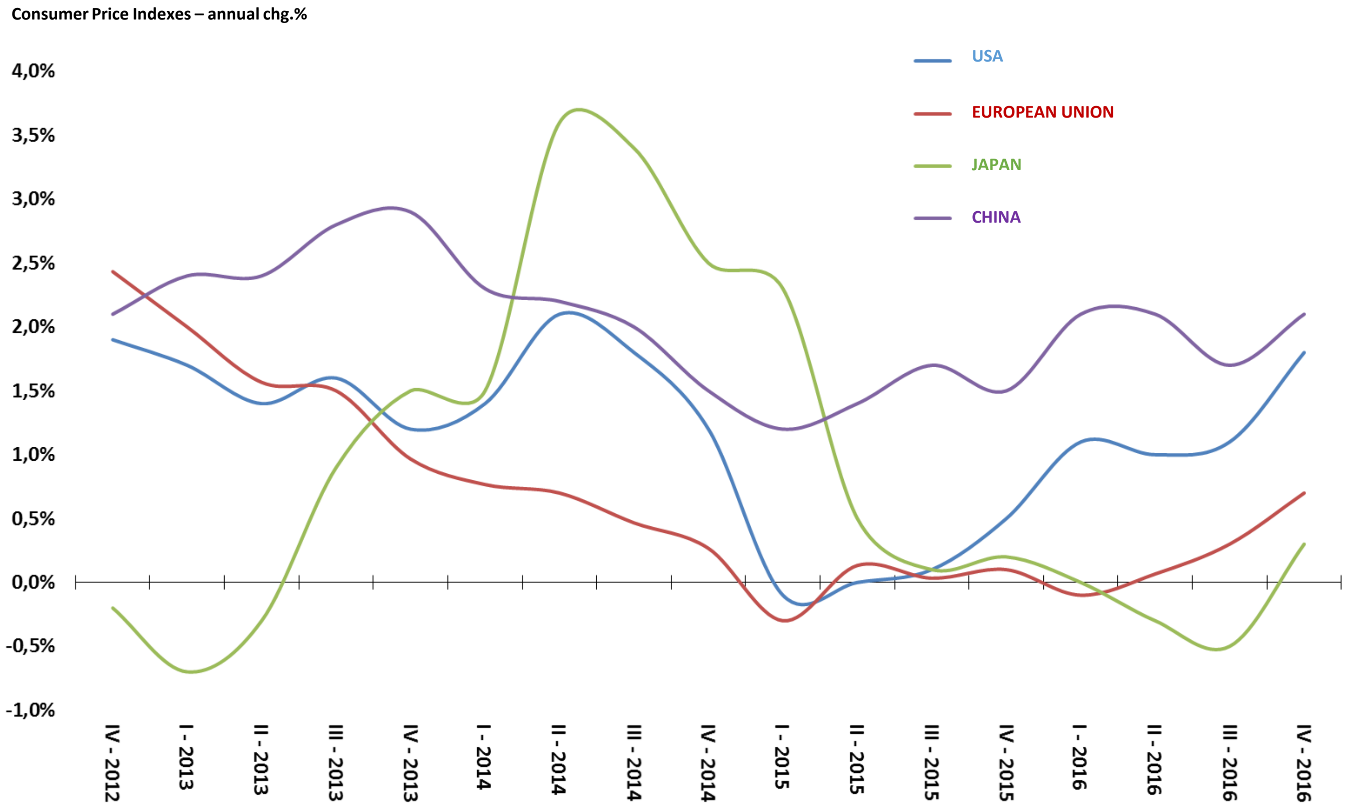
World Major Economies Unemployment Rate



Source: OECD.

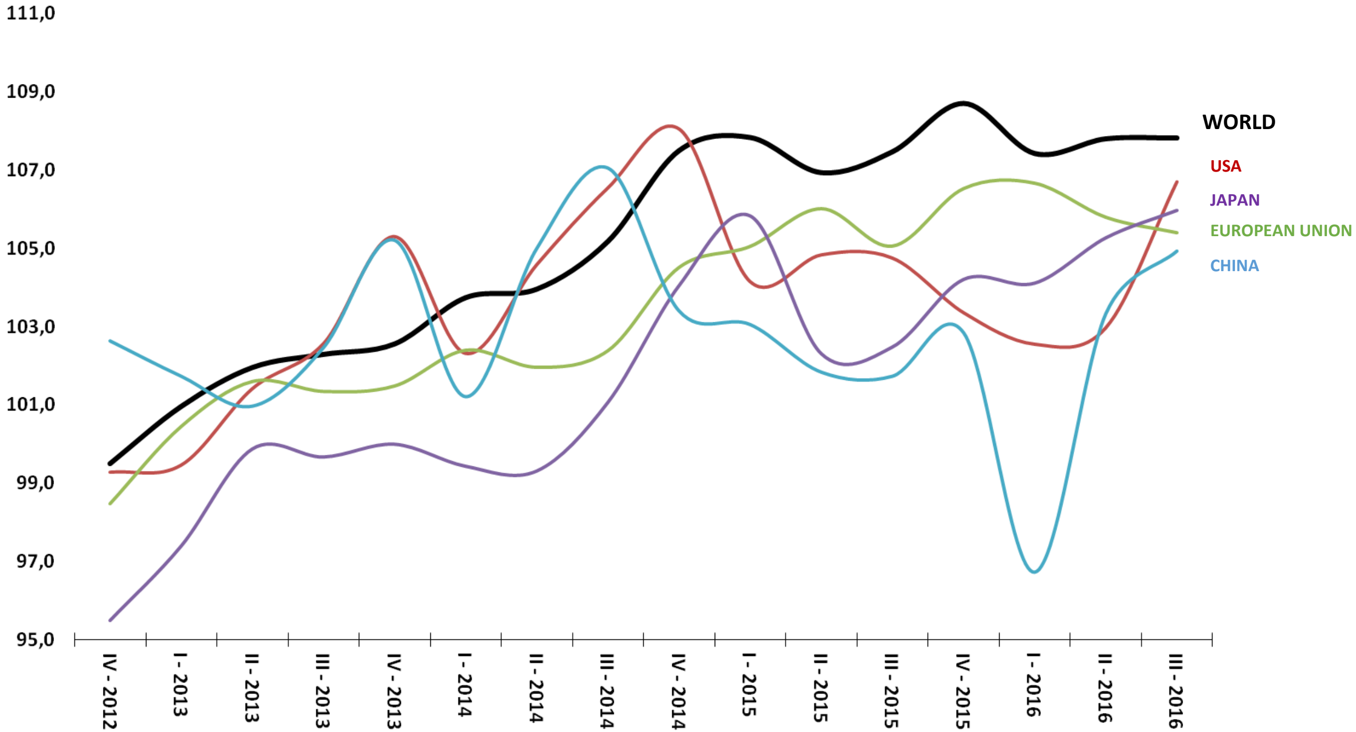
World Major Economies Consumer Price Index



Source: OECD.

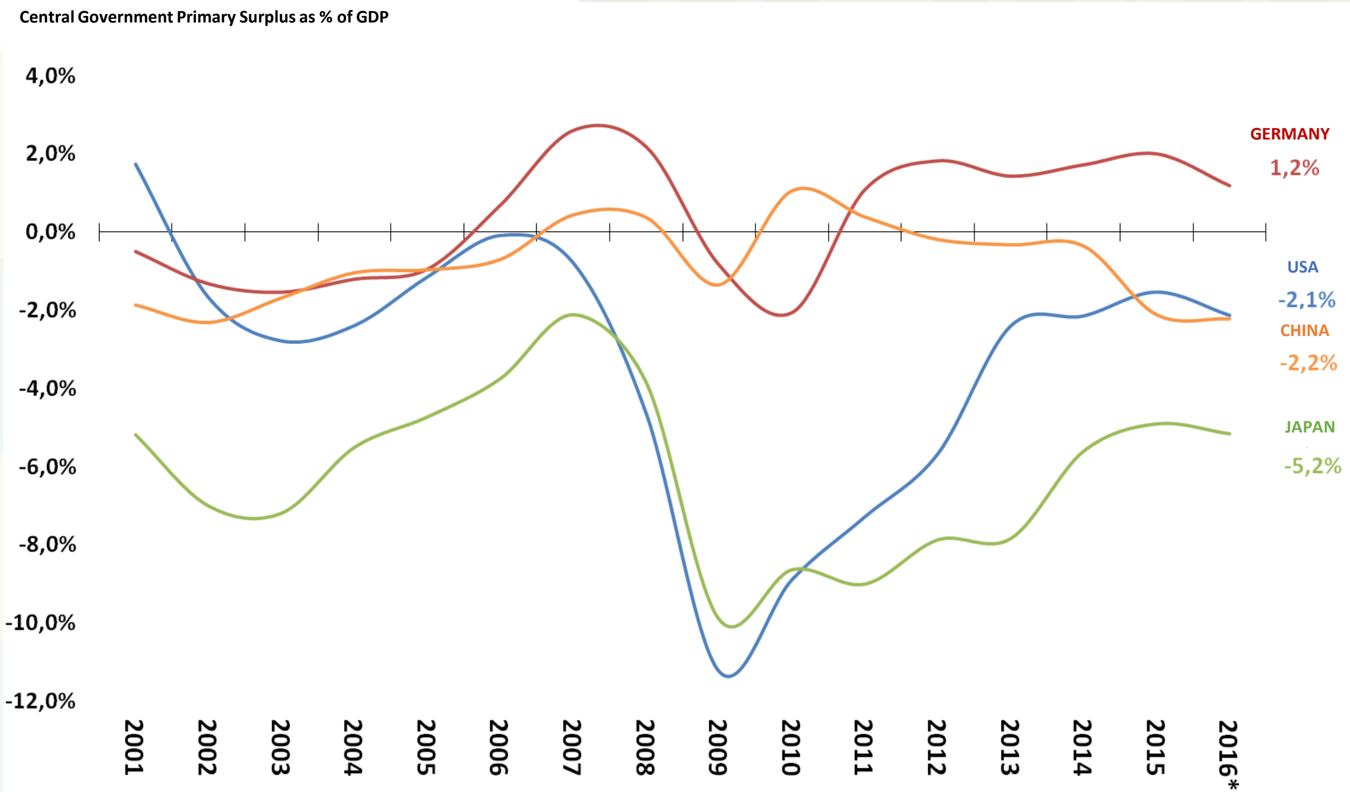
World Major Economies Total Exports

Total Exports Volume Index – Q3-2012 = 100



Source: OECD.

World Major Economies Government Primary Surplus



Source: IMF. * Estimated values

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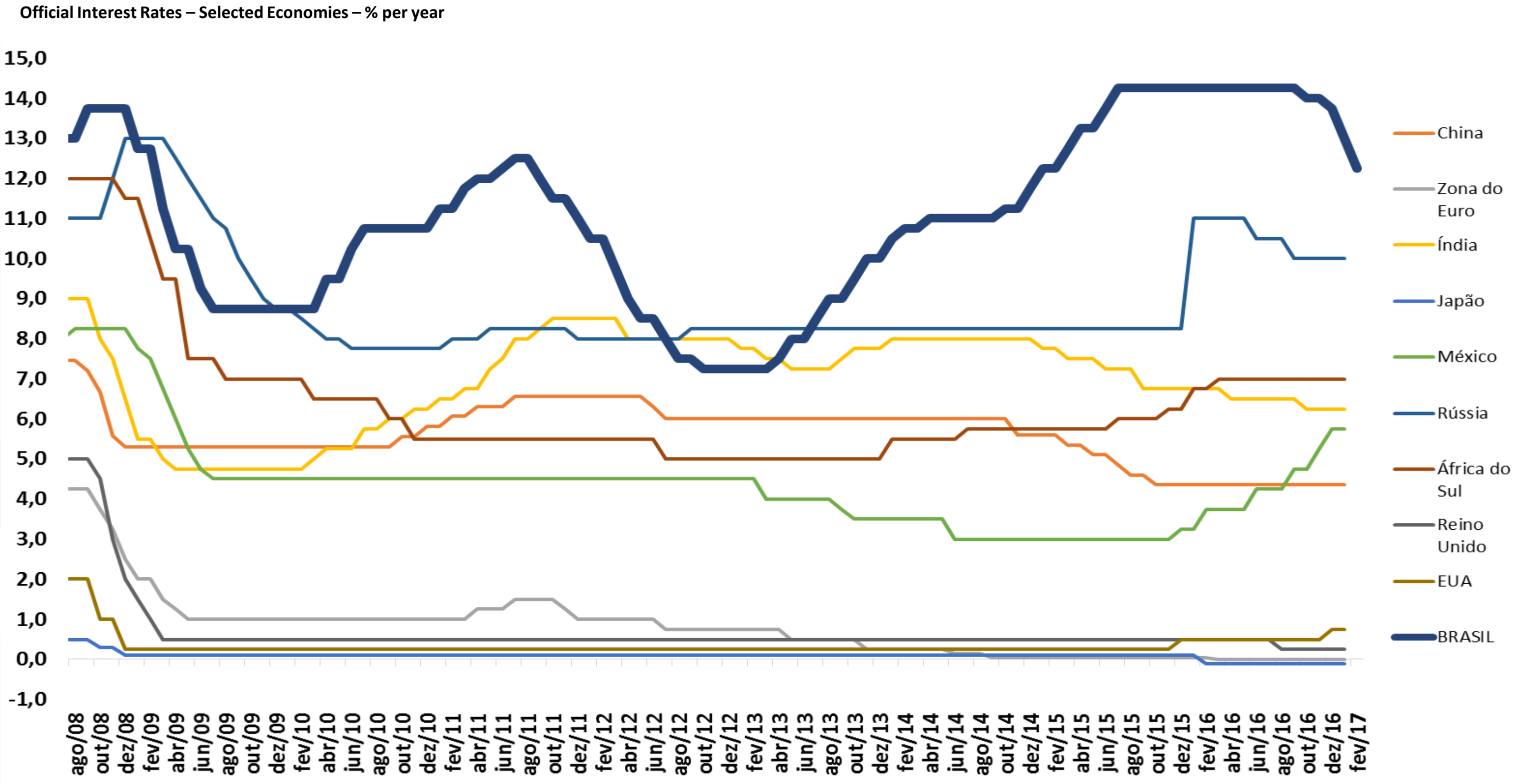
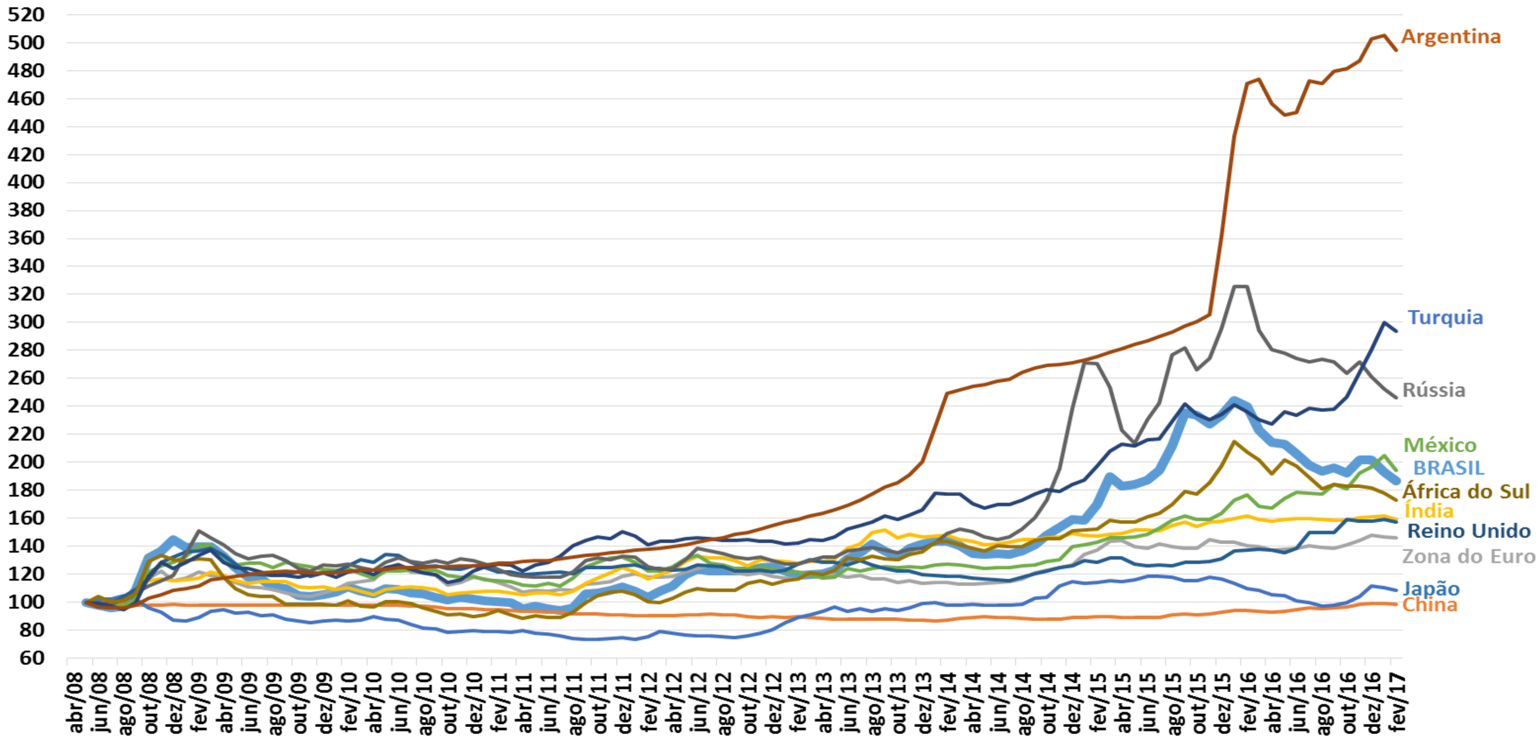
Selected Economies Official Interest Rate



Source: Central Bank of Brazil.

Selected Economies FX-dollar Rate Evolution

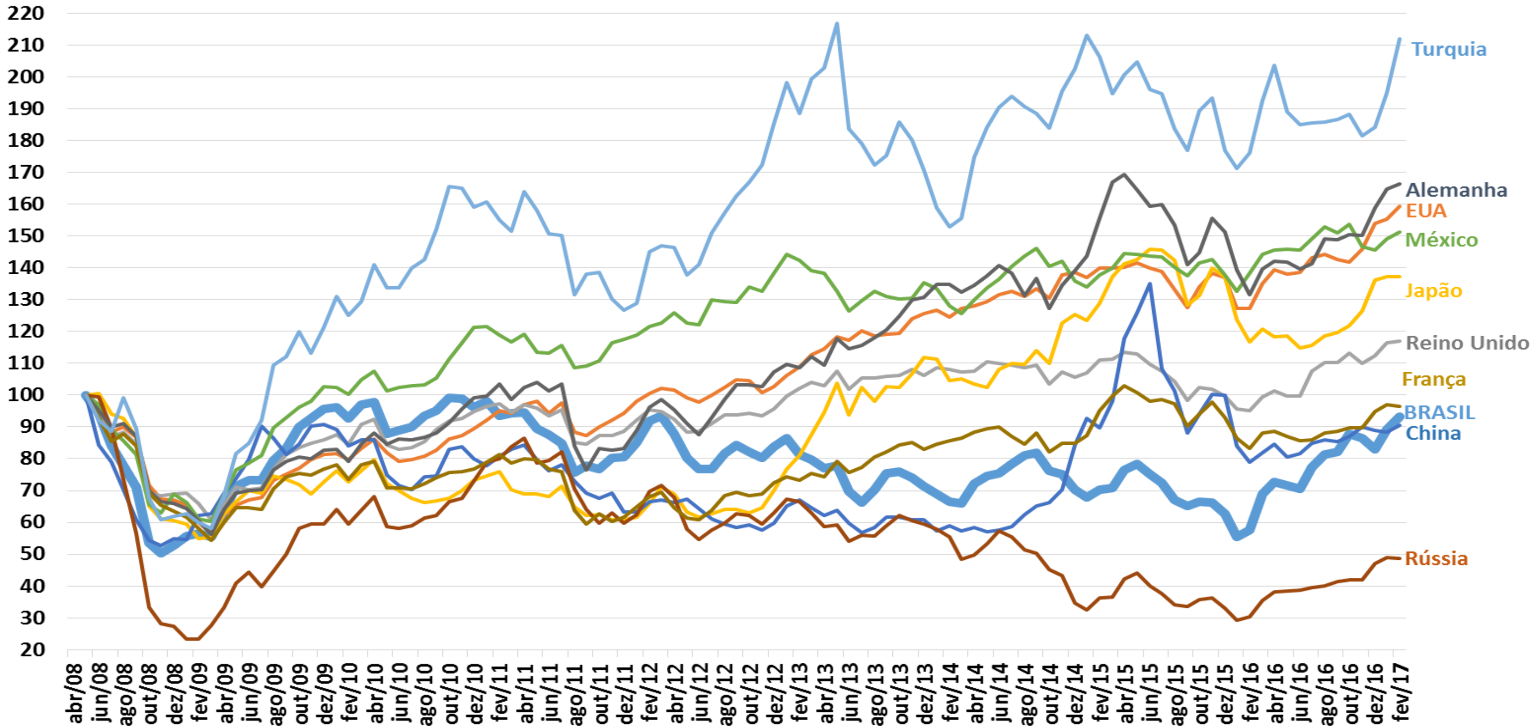
Selected Economies FX-rate Indexes – Mar/2008 = 100



Sources: Bloomberg.

Selected Economies Main Stock Index Evolution

Selected Economies Main Stock Indexes – Mar/2008 = 100



Sources: Bloomberg.

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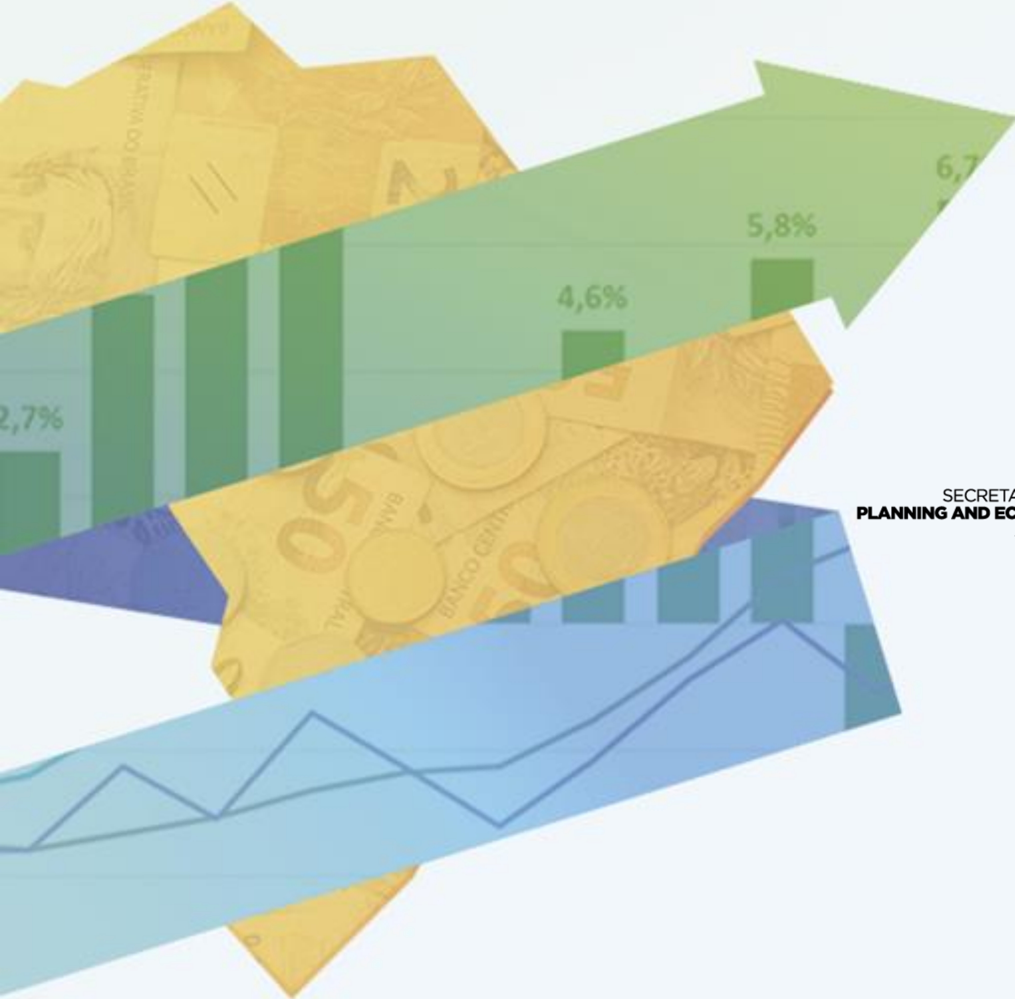

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